LEGISLATIVE BRANCH APPROPRIATIONS FOR 1987

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

SECOND SESSION

SUBCOMMITTEE ON LEGISLATIVE BRANCH APPROPRIATIONS

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PART 2

LEGISLATIVE BRANCH AND FISCAL YEAR 1986 SUPPLEMENTAL APPROPRIATION REQUESTS

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LEGISLATIVE BRANCH APPROPRIATIONS FOR 1987

WEDNESDAY, FEBRUARY 19, 1986.

Mr. FAZIO. We will now commence hearings on the fiscal year 1987 budget for the various Legislative Branch agencies under the jurisdiction of the Subcommittee on Legislative Branch Appropriations.

Before we begin, I would also like to identify the other Members of the Subcommittee:

Dave Obey of Wisconsin, Bill Alexander of Arkansas; Jack Murtha of Pennsylvania; Bob Traxler of Michigan; Lindy Boggs of Louisiana; Jerry Lewis of California, who is our ranking minority; Sil Conte of Massachusetts, who is the ranking minority on the Full Committee; John Myers of Indiana; and John Porter of Illinois.

And we have the Chairman of the Committee on Appropriations, Jamie Whitten of Mississippi, who is also a member of the subcommittee.

The budget that we are going to consider totals $1,476,021,000. This does not include $327,040,000 in Senate items which will be considered in the other body. With the Senate included, the total budget for the Legislative Branch would be $1,803,061,000. Of the portion of this budget which will be considered by the Subcommittee, $862,718,000 is for Congressional Operations only—this is an increase of $131,168,000 over the sequestered level of $731,550,000 already enacted for fiscal 1986. We have not yet received a budget request from the Bio-Medical Ethics Board.

The balance of the funds requested, which total $613,303,000, support statutory and administrative activities of the Legislative Branch which are performed for the Executive Branch and for the public at large. These activities include such agencies as the Library of Congress, Copyright Royalty Tribunal, Botanic Gardens, Government Printing Office, and the General Accounting Office.

The Subcommittee will consider during these hearings the FY 1986 supplemental request of $78,833,000.

REQUESTS FOR FULL FUNDING FOR FY 1987

The FY 1987 request, including Senate items, is $204 million, or 12.8 percent over the FY 1986 bill, prior to sequestration.

That reflects, if I can give you my point of view, a certain reaction to the Gramm-Rudman reductions. There is a significant effort by agencies to fully fund budgets this year as a result of the effects of the imposed reduction. Our managers have requested their total needs this year including restoration of the 1986 reduction. In some cases it will be impossible to fund supplementals so we will learn very quickly the difference between what we might need and what we can get by with.

In other words, I think this budget experience we are having with "Grambo," as it is called, has some negative side-effects. Agencies may attempt to cushion the reduction impact by requesting more than necessary which works against the grain of the prudent nature of this committee.

IMPACT OF REDUCTIONS TO FY 1986 APPROPRIATIONS

Gramm-Rudman has imposed a sequestration of $69 million on fiscal year 1986 appropriations to the Legislative Branch. This will force furloughs, layoffs, and a reduction of needed services for the Congress. These are services which are needed to operate our legislature and to oversee the fiscal and program operations of a trillion dollar executive branch. It is ironic that in a time when serious and bipartisan deliberations are needed to make important decisions on the Federal budget programs, we are being forced to cut back on our resources and expertise needed to conduct those deliberations.

I noted a news story on the local television the other night where several Senate Sergeant-at-Arms personnel have been laid off. Unfortunately, that is not the last of such RIFs or layoffs. It is probably the precursor of others.

COMPARISION OF BUDGET GROWTH BETWEEN EXECUTIVE AND LEGISLATIVE BRANCH

Another irony here is the history of restraint we have imposed on the legislative budget in recent years. Our budget has actually declined in real terms. And, we have kept our budget well below the growth in the executive budget.

Since fiscal 1982, my first year as Chairman of this Subcommittee, the annual compound rate of growth in the legislative appropriation has been 6.2%. The comparable growth rate in the overall Federal funds budget during this same period has been 8.5 percent. The general government function, which includes executive direction and management in the Executive Branch, has also grown at 8.5% per year on the average. That's a 37% higher annual rate of growth than in the legislative budget.

The fiscal 1987 budget does represent an increase. The Committee will undoubtedly make reductions when we mark the bill up—just as we do almost every year. But, we should point out that the Legislative budget is much behind the growth in the other areas of the Federal budget.

WEDNESDAY, FEBRUARY 19, 1986.

U.S. HOUSE OF REPRESENTATIVES AND JOINT ITEMS

WITNESSES

OFFICE OF THE CLERK

BENJAMIN J. GUTHRIE, CLERK
W. RAYMOND COLLEY, DEPUTY CLERK
ROBERT S. McGUIRE, CHIEF OF FINANCE
SUSAN ZELENIAK, TELECOMMUNICATIONS COORDINATOR

OFFICE OF THE SERGEANT AT ARMS

JACK RUSS, SERGEANT AT ARMS
JAMES J. CARVINO, CHIEF OF THE CAPITOL POLICE

OFFICE OF THE DOORKEEPER

JAMES T. MOLLOY, DOORKEEPER

OFFICE OF THE POSTMASTER

ROBERT V. ROTA, POSTMASTER
C. ELMO BOYDSTON, DEPUTY POSTMASTER

OFFICE FOR THE BICENTENNIAL

DR. RAYMOND W. SMOCK

LAW REVISION COUNSEL

EDWARD F. WILLETT, JR.

LEGISLATIVE COUNSEL

WARD M. HUSSEY

OFFICE OF THE ATTENDING PHYSICIAN

DR. FREEMAN CARY, ATTENDING PHYSICIAN

OPENING STATEMENT

Today, we will take up the budget of the House of Representatives and several joint items. The House budget is $482,911,000, which is $54,688,000 or 12.8 percent above the $428,225,000 sequestered in the 1986 fiscal year.

We also have supplemental requests of $16.5 million requested by these agencies of the House of Representatives.

The joint items budget is $151,054,000 which includes funding for the Joint Committees and we will hear from them on a later date. The combined House and joint item budget which we will consider, the items in the bill which comprise the direct expenses for the Members, committees and staffs of the House and the activities we share with the Senate is just under $634 million. The Senate budget is another $301.7 million.

INTRODUCTION OF WITNESSES

We want to welcome the officers of the House who have assembled for the hearing.

Ben Guthrie, the Clerk, who has helped us through the difficult days leading up to the March 1st sequestration. I focus on the Legislative Branch budget and those activities in congressional operations. I know Ben will refer to a number of other officers of the House who are here to outline their budget requests. Other officers who are with us are Mr. Jack Russ, the Sergeant at Arms; Mr. Jim Molloy, the Doorkeeper; and Mr. Bob Rota, the Postmaster.

I also see Ray Colley, the Deputy Clerk, and Bob McGuire, the Finance Officer, are with you. I would like to express my appreciation to them, as well. Bob, particularly, has been very helpful to us in attempting to understand the impact of Gramm-Rudman. Through the years, Ray has been a good, solid contributor to the work of this committee. All of you are earning your spurs.

Mr. COLLEY. Furloughs.

Mr. FAZIO. That will be about the best you can expect.

We appreciate the work you do and the help you provide in this kind of environment. We must do the best we can to live within the limited resources available to the Legislative Branch.

Ben, you may proceed with your statement. Perhaps you can put it in the record and summarize if you will.

You can introduce the various witnesses as we proceed with the hearing.

John, do you have comments to make at this time on behalf of the Minority.

REDUCTION OF LEGISLATIVE BRANCH SPENDING

Mr. MYERS. No, I have nothing to add to what the Chairman has said, except in the 20 years I have been here we have struggled each year to hold down the legislative costs. This year, it is not only good to do it, it is mandated. It will be most difficult, I think, as we search for ways to hold down spending and recognize the responsibility to cut these programs rests with us collectively. I say us—you, the officers who must administer, and those of us in the Congress who must provide the funds and implement the needed cuts in the programs.

It is not going to be an easy job. I think in the 20 years I have been here, it is the roughest year we will put out. Next year may be tougher.

I did not vote for Gramm-Rudman, but we all have to live with it. It may not be bad, either. Maybe we will tighten our belts and be stronger for it. It means we have to work closer together. I say we—you, the officers here, and those of us in Congress.

I am sure this is not the last meeting we will have this year. We will have to work very closely and figure out ways to trim the spending and hold down unnecessary spending or at least defer it to some future year.

Talking about furloughs, I remember when a furlough was desirable. It wasn't too many years ago I looked forward to furloughs. It will be a rough year, a real tough year. We will survive it along with the help of everyone here.

GENERAL DISCUSSION OF GRAMM-RUDMAN-HOLLINGS ACT

Mr. **FAZIO**. As I look around the table, I don't know how all the members voted, but I will bet few on either side voted for Gramm-Rudman. I heard Mr. Conte loud and clear, and I know how Mr. Lewis voted. I know the majority voted against it.

Mr. **MYERS**. We have to live with it.

Mr. **FAZIO**. We are morally, politically committed to living within those restraints.

Mr. **MYERS**. I agree we had to cut spending. Procedurally, I disagreed. I didn't like turning it over to somebody who is nameless and faceless to make the cuts. We should be making some reductions. Procedurally is where I disagree.

We recognize we had to come to reality and start cutting spending. Procedurally, it was wrong. No use beating that again.

Mr. **FAZIO**. It is likely that the court will not render a final verdict until July. We are under the distinct impression, regardless of the court decision, that we will learn to live with the reductions.

Certainly, the target of $144 billion is on everyone's mind. We will have to find out where the Legislative Branch fits in this process.

APPROXIMATE COST OF OPERATING GOVERNMENT

Mr. **MYERS**. Mr. Chairman, in your statement you say operation of a trillion dollar Executive Branch, a trillion dollars is all government, all of our branches. They administer it, of course.

I hate to think the executive has a trillion dollars and we have less than a billion. That is out of proportion. It really is all government, a trillion dollar business. It is big business.

Mr. **FAZIO**. We are over a trillion now. Jim Baker said this morning we are $43 billion over a trillion.

Mr. **MYERS**. Yes.

Mr. **FAZIO**. We are hitting a lot of round figures at once. Remember when we were so concerned about the billion dollar Congress. We are rapidly advancing on the $2 billion Congress.

Mr. **MYERS**. I often commented—just one more observation—the first year I was elected we ran the entire Federal Government on about $112 billion, every function of government. That doesn't pay the interest any more on our debt.

I have been here during it all, too, most of the time. That is the only satisfaction I have. I voted no.

Mr. **FAZIO**. We won't place blame on anyone.

Let's proceed.

Mr. **MYERS**. Enough to go around.

CLERK OF THE HOUSE—OPENING REMARKS

Mr. **GUTHRIE**. Thank you, Mr. Chairman, members of the subcommittee—Congressman Myers.

I appear before you today to present a detailed summary of the fiscal year 1987 estimates for the U.S. House of Representatives and certain joint items.

Our presentation will follow the order of accounts as they appear in the subcommittee print. It is our understanding that the subcommittee wishes to proceed promptly but thoroughly in these hearings. Therefore, I will endeavor to move through this statement quickly. I will welcome and expect questions on any particular item.

The preparation of this testimony, and the House portion of your subcommittee print, has been under the direction of Mr. Robert S. McGuire, Chief of the House Finance Office, who is with me today. He was aided by his Assistant Chief, Mr. Michael Heny, and his Budget Assistant, Mr. Michael Buckley, both of whom are with us today.

Although the Clerk prepares the entire House budget, we do not authorize nor obligate the funds. Many offices make such obligations.

FY 1986 HOUSE SUPPLEMENTAL WITHDRAWN

Mr. Chairman, before proceeding with the fiscal year 1987 estimates, may I withdraw all fiscal year 1986 House supplemental requests, as included in the President's budget. These supplemental requests total more than $16.5 million. I am making this request as a result of the condition placed upon us by the Balanced Budget and Emergency Deficit Control Act of 1985—Gramm-Rudman-Hollings.

It is my understanding of the Act's provisions that we are in a legislative situation that essentially forecloses our ability to successfully consider a supplemental appropriation for this fiscal year. As a result, I have included funds for these items in the fiscal year 1987 request, and will highlight each as I proceed through the testimony.

Mr. Fazio. Therefore, you are withdrawing the supplemental and proceeding to the 1987 request.

Mr. Guthrie. Correct.

Mr. Fazio. Thank you very much. We appreciate the intent and the understanding that goes with it.

Mr. Guthrie. The fiscal year 1987 budget estimates were prepared based on statutory entitlements, actual spending history and consultation with each office.

FY 1986 SEQUESTERED AMOUNT FOR CLERK

However, I would like to mention a few facts regarding Gramm-Rudman-Hollings. The Act requires a 4.3 percent sequestration of the fiscal year 1986 enacted appropriation at the account level effective March 1, 1986. In compliance with this Act, and at the direction from the Office of Management and Budget, we have rounded the sequestered amounts to the nearest thousand dollars. The following table shows the effect of the reductions on the House and certain joint items.

[The table follows:]

HOUSE OF REPRESENTATIVES

[Fiscal Year 1986]

	Fiscal year 1986 P.L. 99-151	4.3 percent sequester P.L. 99-177	Fiscal year 1986 revised appropriation
HOUSE OF REPRESENTATIVES			
Mileage of Members	$150,000	$6,000	$144,000
House leadership offices	3,357,000	144,000	3,213,000
Salaries, officers and employees	47,914,000	2,060,000	45,854,000
Committee employees	44,325,000	1,906,000	42,419,000
Committee on Appropriations (studies and investigations)	4,275,000	184,000	4,091,000
Committee on the Budget (studies)	296,000	13,000	283,000
Members' clerk hire	166,762,000	7,171,000	159,591,000
Allowances and expenses	133,426,000	5,737,000	127,689,000
Standing Committees, Special and Select	46,960,000	2,019,000	44,941,000
Total House of Representatives	447,465,000	19,240,000	428,225,000
HOUSE JOINT ITEMS			
Joint Committee on Taxation	3,705,000	159,000	3,546,000
Office of the attending physician	1,056,000	45,000	1,011,000
Capitol Police (general expenses)	1,336,000	57,000	1,279,000
Capitol Police Board	109,000	5,000	104,000
Office mail costs	100,000,000	4,300,000	95,700,000
Statements of appropriations	13,000		13,000
Total House joint items	106,219,000	4,566,000	101,653,000
Total House of Representatives and joint items	553,684,000	23,806,000	529,878,000

TOTAL AMOUNT OF SEQUESTER

Mr. **Fazio**. At this time, we will take up the requests for the House leadership offices.

Tell us how much was sequestered.

Mr. **Guthrie**. Almost $20 million for the House. Precisely, $19,240,000, plus an additional $4,566,000 for the joint items, for a total of $23,806,000.

Mr. **Fazio**. Tell us about the effects of the reduction on your operations.

Mr. **Guthrie**. This was effected directly across the board. The House leadership offices took 4.3 percent from their accounts. All the salaries of officers and employees were reduced 4.3, divided fairly. It was applied fairly on each of the individual accounts.

Committee employees were annualized on the December payroll for their 4.3 percent sequestration.

The same thing as far as Members' Clerk hire. That was reduced.

Mr. **Fazio**. Mrs. Boggs has a question to be answered for the record.

[The question and response follow:]

Gramm-Rudman Allocation

Question. How were the reductions required by Gramm-Rudman allocated, particularly in the personnel accounts. Did certain sub-accounts take a greater "hit" than others? How were these decisions made?

Response. The 4.3 percent reduction required by Gramm-Rudman was applied equally to all accounts and sub-accounts. No one account or sub-account was asked to assume a disproportionate share of the sequestration. The exception to this was the sub-account for the Office of The Chaplain, which pays the only Chaplain's salary which is set by statute and therefore not subject to sequestration under the provisions of Gramm-Rudman. The decision to implement the sequestration in this manner was made by the Leadership at a meeting with the Speaker.

IMPACT OF FY 86 SEQUESTER TO CLERK'S OFFICE

Mr. FAZIO. When you conclude the overview, will you comment on the specific impact on the Clerk's office. I am going to ask each officer, henceforth, to comment on the impact on their respective operations.

Since you have completed your overview, will you proceed with the sequestration impact?

Mr. GUTHRIE. On the Clerk's operation, it was the same. We were reduced $587,000 on sequestration. We are attempting to not fill vacancies. We are mandated not to fill vacancies at the present time. We are encouraging voluntary retirements.

The first thing I did after meeting with the other officers of the House was to call my department heads in and outline the situation to them. I asked them to check within their offices for any known retirements, resignations, or vacancies.

Among the first things I did was to decide there will be no summer intern program in the Clerk's office. Originally, I thought we would reduce it. It is now completely abolished. We will likely have some involuntary separations.

The last action, of course, would be furloughing at some time in the future.

Mr. FAZIO. You would choose furloughs for some or all rather than across-the-board cuts?

Mr. GUTHRIE. Rather than trying to have mass dismissals, I would rather plan at this time, until I can see what the situation is, to furlough at some point in the future across the board within the Clerk's office.

Mr. FAZIO. You are obviously going to be working closely with Mr. McGuire. The remaining staff will monitor progress on budgetary targets. They then can take any necessary steps to realize a sufficient number of dollar savings by the end of the fiscal year. Is that correct?

MONTHLY EXPENSE REPORTS FURNISHED TO OFFICERS

Mr. GUTHRIE. At the close of each month, we will furnish each office with details on how the sequestration and spending are going.

Each officer has been furnished a report on FY '86 on the first day of each month. We will be doing the same thing down the road with every Member of the Congress to show how they are meeting their individual Clerk hire and expense accounts requirements.

HOUSE LEADERSHIP OFFICES

I would like to take up the House Leadership Offices, Mr. Chairman.

For salaries and expenses of the House Leadership Offices, $3,357,000. This is the same amount requested and subsequently approved in the Fiscal Year 1986 Appropriation Bill.

Mr. Chairman, each Leadership Office is entitled to a Statutory Allowance, a Lump Sum Allowance and an Official Expenses Allowance as authorized by law. Included in the Statutory Allowance are certain personnel positions. The Lump Sum Allowance includes funding for all other positions and nonpersonnel expenditures. The annual Official Expenses Allowance is available to the Leadership upon request. Historically, a parity has been maintained between the Majority and Minority Offices, excluding the Speaker.

I would like to insert the tables on the Leadership Offices in the record.

Mr. Fazio. That is fine.

[The tables follow:]

HOUSE LEADERSHIP OFFICES

	Fiscal year—		
	1985	1986	1987
Total appropriations	$3,331,000	$3,357,000	$3,357,000
Sequester (P.L. 99–177)		–144,000	
Expenditures	2,967,670	740,830	
Unexpended balances	363,330	2,472,170	3,357,000

OFFICE OF THE SPEAKER

For the Office of the Speaker, $775,000. This includes funds for statutory positions, a Lump Sum Allowance and $18,000 for the Speaker's Official Expenses.

SPEAKER

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$771,000	$775,000	$775,000
Expenditures	742,034	179,678	0
Unexpended balances	28,966	595,322	775,000

OFFICE OF THE MAJORITY FLOOR LEADER

For the Office of the Majority Floor Leader, $688,000. This includes funds for statutory positions, a Lump Sum Allowance and $10,000 for the Leader's Official Expenses.

MAJORITY FLOOR LEADER

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$682,000	$688,000	$688,000
Expenditures	651,727	163,857	0
Unexpended balances	30,273	524,143	688,000

OFFICE OF THE MINORITY FLOOR LEADER

For the Office of the Minority Floor Leader, $767,000. This includes funds for Statutory positions, a Lump Sum Allowance and $10,000 for the Leader's Official Expenses.

MINORITY FLOOR LEADER

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$760,000	$767,000	$767,000
Expenditures	586.429	151,139	
Unexpended Balances	173,571	615,861	767,000

OFFICE OF THE MAJORITY WHIP

For the Office of the Majority Whip, $603,000, including an amount not to exceed $145,540 for the Chief Deputy Majority Whip. This funding includes amounts for statutory positions and Lump Sum Allowances in both offices, and $1,000 for the Majority Whip's Official Expenses.

MAJORITY WHIP

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$452,755	$457,460	$457,460
Expenditures	448,117	106,752	
Unexpended balances	4,638	350,708	457,460

CHIEF DEPUTY MAJORITY WHIP

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1985	1987
Total appropriations	$145,245	$145,540	$145,540
Expenditures	143,448	30,626	
Unexpended Balances	1,797	114,914	145,540

OFFICE OF THE MINORITY WHIP

For the Office of the Minority Whip, $524,000, including an amount not to exceed $76,840 for the Chief Deputy Minority Whip. This funding includes amounts for statutory positions and $1,000 for the Minority Whip's Official Expenses. In addition, amounts for Lump Sum Allowances in both offices are included.

MINORITY WHIP

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$443,810	$447,160	$447,160
Expenditures	320,405	89,313	
Unexpended Balances	123,405	357,847	447,160

CHIEF DEPUTY MINORITY WHIP

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$76,190	$76,840	$76,840
Expenditures	75,508	19,464	
Unexpended Balances	682	57,376	76,840

SALARIES, OFFICERS AND EMPLOYEES

Mr. GUTHRIE. For compensation and expenses of salaries, officers and employees, as authorized by law, $49,137,000.

I shall list the amounts presently estimated for each office. The funding under this heading is principally for personnel costs. I will point out those offices which have nonpersonnel amounts or lump sum allowances as each request is presented. Each House officer will discuss his various operations as we consider the budgeted amounts.

I would like to insert the table in the record.

Mr. FAZIO. So ordered.

[The table follows:]

SALARIES, OFFICERS AND EMPLOYEES

	Fiscal year—		
	1985	1986	1987
Total appropriations	$48,253,000	$47,914,000	$49,137,000
Transfer in	35,000		
Sequester (P.L. 99-177)		−2,060,000	
Expenditures	46,786,955	11,697,246	
Unexpended balances	1,501,045	34,156,754	49,137,000

CLERK OF THE HOUSE—TOTAL FY 86 REDUCTIONS

Mr. GUTHRIE. I will begin this section with my own office. Our fiscal year 1986 appropriation was reduced by $200,000 last year when the bill was approved. Thus, even before the Gramm-Rudman-Hollings legislation, we were carefully considering each position and each appointment in order that we could have adequate staff and still meet our budgetary goals. Vacancies were not being filled promptly and, as stated, I had planned to reduce our summer intern program.

With the advent of sequestration under the new law, the Clerk's office will lose an additional $587,208 from the funds appropriated for the current fiscal year.

Mr. FAZIO. I appreciate your point. The fiscal year 1986 Legislative Branch budget was frozen even before the sequestration requirement. We reduced the 1986 bill by 11 percent to attain the fiscal year 1985 level of funding.

It dramatically underscores the fact that the budget you submitted this year not only takes into consideration the Gramm-Rudman cuts, but those that were prevailed upon you in the prior year.

Mr. GUTHRIE. That is correct.

Mr. FAZIO. Your base budget is very tight.

Mr. GUTHRIE. I would like to insert the following text.

Mr. FAZIO. Without objection, so ordered.

[The statement follows:]

OFFICE OF THE CLERK

Our budget will be $787,208 under the funds originally anticipated for this fiscal year and no relief is to be provided in a supplemental bill.

I have already directed that no vacancies will be filled; no merit promotions will be approved; personnel rosters are being carefully reviewed to ascertain whether there will be additional vacancies or retirements; and summer interns will be abolished. These actions will not allow for the full absorption of this drastic reduction. And, with fewer staff or some furloughs, it is clear that services to the House will be affected.

The Clerk's Office has three broad categories of operations—legislative, financial and administrative-support. My immediate office is concerned with management of our employees and the general counsel's office is involved in many legal matters of great importance to the House. Every position in our offices was deemed necessary when it was created, and periodic reviews of our operations are undertaken to insure that personnel continue to be required in these several offices. You will recall, Mr. Chairman, that we have over the years realigned office functions and abolished positions to save funds whenever possible.

Last year when I appeared at this hearing, the Clerk was authorized 501 positions. There has been no net increase in this number. I do have some pressing personnel needs that will be delayed until the budget picture becomes clearer for Fiscal Year 1987.

Questions for the Record

Mr. FAZIO. Mrs. Boggs and Mr. Porter have submitted some questions to be answered for the record concerning the Gramm-Rudman reductions.

[The questions and responses follow:]

QUESTION SUBMITTED BY MRS. BOGGS

Question. We know GRH has had an impact on your operation. How much was sequestered? What effect will it have on your operation?

For the record, indicate the specific expenditures that you will reduce as a result of GRH with a comparison to the originally approved budget. Also, indicate actual fiscal 1985 expenditures for those items.

Response. As I outlined in my statement, the appropriation requested for the Clerk's Office for Fiscal Year 1986 was reduced by $200,000 when the bill was passed. Sequestration for my office was $587,208, which makes the total reduced funding for Fiscal Year 1986, $787,208. These funds were all budgeted for personnel. Thus, the only way they can be absorbed is through reductions in personnel. As stated, I will endeavor to make these expenditure reductions by not filling any vacancies that occur through resignation or retirements, cancellation of the summer intern program, some additional reduction in personnel on a very selective basis, and possibly furloughing of personnel for periods of time. Each judgement will be made on a monthly basis to insure that the shortfall in funding and sequestration are made by the end of the fiscal year.

We expect to maintain a reasonable level of services to all offices—Members, committees and others. However it is certainly expected that some changes in lesser priority services will eventually be experienced.

The appropriation for personnel in the Clerk's Office in Fiscal Year 1985 totaled $13,599,000.

QUESTIONS SUBMITTED BY MR. PORTER

Question. Can you outline for me the steps you could take—in terms of personnel changes or reductions in the services provided to members—to hold the expenses of the Office of the Clerk to the FY '86 post-sequester level ($13,068,792)?

Response. The answer to this question has been outlined in my opening statement and in response to the subcommittee question asked of each House officer. The appropriations for the Clerk's Office are strictly for personnel. Thus, the funds must be saved by not paying for as many personnel. Every effort is going to be made to maintain a reasonable level of services to all House offices. The number of positions that might eventually be vacated, in addition to those that occur through resignations or retirements, will be determined by the need to make certain that vital services are continued.

It is not possible to specifically state which services might be curtailed at this time. I have a personnel task force at work evaluating our operations in every office, and conferring with each supervisor as to what effect will occur with reductions in staffing.

Question. Of all of the functions under your jurisdiction, have you ever hired outside management consultants to review operations and make recommendations designed to maintain the highest possible level of services under conditions of declining resources? If so, could you elaborate?

Response. We have not hired outside management consultants to review the Clerk's operations and make recommendations considering levels of service under conditions of declining resources. We have utilized consultants to obtain expertise in a specific area, such as the recent evaluation of the bids received for a new House telephone system. Their report was utilized in determining which firm would receive the contract.

I believe the Clerk's senior staff is very familiar with the services provided to the House, and can adequately evaluate those that should not be drastically reduced because of sequestration. Sequestration is upon us March 1st. A consultant would spend valuable time in learning our operations when we are already well into planning for the changes in personnel that must be effected. I will consult with the House leadership, this Subcommittee and the Committee on House Administration as curtailments of personnel are undertaken.

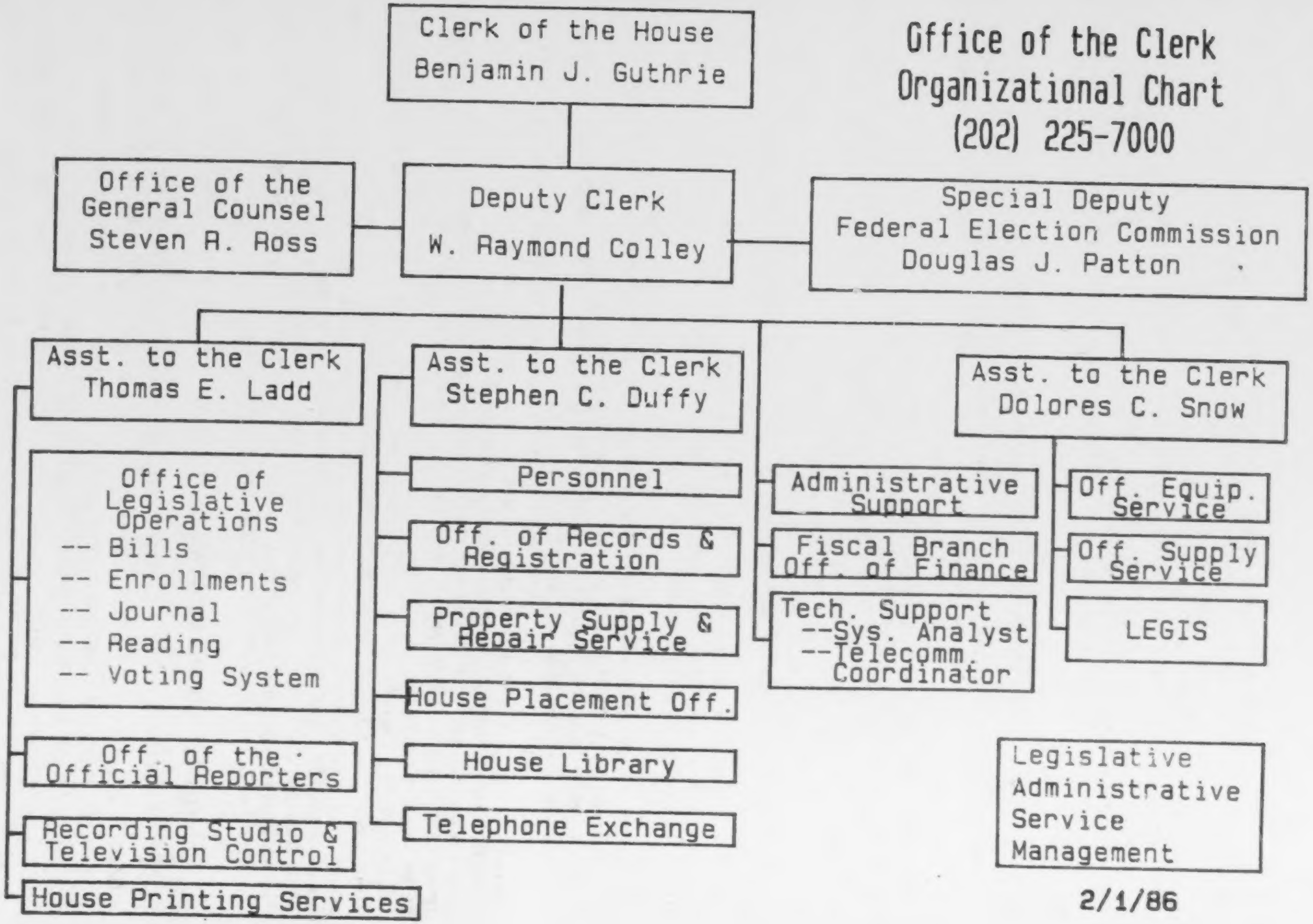
ANNUAL DEPARTMENTAL REPORTS OF CLERK'S ORGANIZATION

Mr. **GUTHRIE.** Mr. Chairman, I have received very detailed annual reports from the chiefs of my various offices. A brief digest of these reports has been prepared to give the subcommittee some highlights of the past year. A copy is being given to each of you, and I ask permission to insert this summary in the hearing record at this time. Also, I will insert a copy of an organizational chart for my office.

Mr. **FAZIO.** So ordered.

[The chart and report follow:]

Office of the Clerk
Organizational Chart
(202) 225-7000


Clerk of the House
Benjamin J. Guthrie
Office of the General Counsel
Steven R. Ross
Deputy Clerk
W. Raymond Colley
Special Deputy
Federal Election Commission
Douglas J. Patton
Asst. to the Clerk
Thomas E. Ladd
Office of Legislative Operations
-- Bills
-- Enrollments
-- Journal
-- Reading
-- Voting System
Off. of the Official Reporters
Recording Studio & Television Control
House Printing Services
Asst. to the Clerk
Stephen C. Duffy
Personnel
Off. of Records & Registration
Property Supply & Repair Service
House Placement Off.
House Library
Telephone Exchange
Administrative Support
Fiscal Branch Off. of Finance
Tech. Support
--Sys. Analyst
--Telecomm. Coordinator
Asst. to the Clerk
Dolores C. Snow
Off. Equip. Service
Off. Supply Service
LEGIS
Legislative Administrative Service Management

2/1/86

BRIEF SUMMARY OF 1985 ACTIVITIES IN OFFICES OPERATING UNDER THE CLERK OF THE HOUSE

The Clerk's immediate office staff and the chiefs of the departments operating under the Clerk have been mentioned in testimony. The organizational chart illustrates the existing structure. Annual reports provided to the Clerk outline activities, programs and accomplishments; review levels of service and workload; and suggest plans for the coming year. This brief summary will only list a few highlights of the past year.

OFFICE OF THE GENERAL COUNSEL

The past year has witnessed a considerable growth in the workload of the Office of the General Counsel. The office continues to provide the House and its Members, Officers, and Committees with a full range of legal services. Included in these services are litigation representation and provision of legal advice with respect to the official functions of the House.

Among the most noteworthy endeavors of the office has been the participation in the challenge to the constitutionality of certain provisions of the recently enacted Gramm-Rudman deficit reduction statute. The Office of the General Counsel has represented the Speaker and the Bipartisan Leadership Group of the House (Majority Leader Wright, Republican Leader Michel, Majority Whip Foley, and Republican Whip Lott) in offering an official defense of the portion of the statute which the Department of Justice has attacked as unconstitutional.

Providing a defense for the constitutionality of duly enacted statutes, a task historically performed by the Department of Justice, has become a major responsibility of this office. In addition to the litigation arising out of Gramm-Rudman, the office has participated in numerous other cases relating to the Competition in Contracting Act and the 1984 Amendments to the Bankruptcy Act.

A second aspect of the office's service which has been called upon with great frequency is providing legal assistance to committees conducting official inquiries. The office advises numerous House Committees and Subcommittees on the appropriate procedures for the conduct of such investigations and is often called upon to assist Committees in determining the proper course of action to be followed by a Committee which is faced with a reluctant or recalcitrant witness.

The increased willingness of the judiciary to permit Members to be brought into court and required to defend their official actions has resulted in a significant demand for legal services within the House of Representatives. The Office of the General Counsel continues to strive to provide such services to the House and its components in a highly competent and professional fashion.

FEDERAL ELECTIONS COMMISSION (FEC) SPECIAL DEPUTY

The Clerk, as an ex-Officio Commissioner of the Federal Elections Commission (FEC) is represented through a Special Deputy in all FEC matters -- meetings, issuance of advisory opinions, audits, seminars, appearances before congressional committees, matters under review, regulations, etc. The Special Deputy is called upon frequently to advise Members, candidates and their staffs on their obligations under the Federal Election Campaign Act (FECA) and other regulations. At the close of 1985, the Federal Elections Commission moved its entire operation from 1325 K Street, N.W., their home since the agency was created in 1975, to 999 E Street, N.W.

TELECOMMUNICATIONS COORDINATOR

The office of the Telecommunications Coordinator, under the direction of the Clerk, in consultation with the Committee on House Administration, coordinates the current and future telecommunications needs of the House of Representatives. This includes the review and verification of all House telephone bills; the identification and reimbursement of overcharges; the management of the House employees of the U. S. Capitol Telephone Exchange; development of a telephone equipment inventory; and assists the Clerk and Committee on House Administration in resolving, as directed, telephone service related problems.

During 1985, the Telecommunications Coordinator was extremely busy establishing billing procedures which resulted in identifying $20,000 per month in overbillings; administrating and coordinating the consultant contract to review the Senate/House RFP for a new Telecommunications System; evaluating long distance studies recommending a configuration that would result in a $50,000 per month savings with no loss in service quality; and managing the Telephone Exchange House employees who work in an office that handled approximately 22,000 telephone calls per day last year.

All these activities including the responsibility for the audit and voucher preparation of all House telephone bills, excluding Committee toll bills, is handled by a dedicated staff of only four (4) people.

SYSTEMS ANALYST

Acting as a technical advisor to the Clerk's management staff, the Systems Analyst works closely with the Clerk's department heads, House Information Systems (HIS) and various Committees and Subcommittees in the development and management of the Clerk's data processing needs.

In 1985, the Systems Analyst helped the Office of Legislative Operations move their highly computer-dependent operation from the 3rd floor to the basement of the Capitol. This relocation involved the review and eventual upgrade of outdated equipment and the coordination of all service and installation personnel.

Several other data alternatives and processes were evaluated by the Systems Analyst last year including the feasibility of installing specialized data terminals on the House Floor; voice activated personal computers (PC) for proofreading; and the design of PC networking configurations for one department to aid in the management of documents and records filed with the Clerk.

In addition, our Systems Analyst installed personal computers in several areas and established links between these terminals and currently operative mini-computers and dial-up systems to facilitate data transmission and information sharing to previously isolated offices.

OFFICE OF FINANCE

As the financial and accounting center of the House of Representatives, the Office of Finance disbursed and accounted for an average of 2 million dollars per business day during 1985. Financial transactions increased by 2% over 1984 activity.

The Finance Office worked closely with the staffs of 45 new members in the 1st session of the 99th Congress to acquaint them with their Official Allowance and Clerk hire procedures. The audit department continued to assist the Committee on House Administration on the preparation of the new Congressional Handbook which was released in September.

The year brought a sudden jump in the volume of vouchers for official expenses, together with continuing changes in procedures and interpretations governing the use of this allowance. Much time and effort was invested in a project to identify and report reimbursements from early in the year for excess mileage payments, then acknowledge and account for the resulting refunds. The extra workload was handled with no increase in staff and with minimal delays. At year-end, problems remained with respect to AT&T and FTS billings. Conversion to the Electronic Fund Transfer of direct deposit payroll payments was completed successfully last year and substantial progress was made on the task of converting active personnel files to microfiche.

Enactment of the Balanced Budget and Deficit Control Act at the end of the session presented new challenges to the budget department. Particular attention is required in the coming year to expenditures for Official Mail Costs.

Changes in laws and benefit programs brought marked increases in participation in the life and health insurance and Social Security programs, and an offsetting decline in the Civil Service Retirement Act enrollments.

OFFICE OF LEGISLATIVE OPERATIONS

Two major developments in the Office of Legislative Operations last year will ultimately result in a totally efficient, computer-based legislative department. First, the office, which in 1983 combined a number of legislative units under one department, was relocated to HT-13 in the Capitol. For the first time, all personnel in those previously separate legislative units are located in one place under one supervisor. This logistical accomplishment will greatly facilitate the goals of cross-training and efficient personnel utilization.

The second important feature of this office's 1985 activity is the strides that are being made in the area of data collection and computerization. Legislative systems have been developed, and are being tested, which will eliminate tedious and duplicative information gathering.

Floor Action Reporter (FARS) central data base is being created and tested and will eventually eliminate the manual creation of various publications. Electronically transmitted data and printing instructions will speed the compilation and printing aspects of the Congressional Record and the House Calendar.

Several other data-based legislative functions (Legislative Activity Guide)(LAG); the Bill Briefs System of LEGIS; on-line co-sponsoring program and a computer generated House Journal procedure have all become operational this year further streamlining the office's activities.

OFFICE OF OFFICIAL REPORTERS

With responsibility for the official reporting of both House Committee hearings and Floor debate, this department experienced a marked increase in activity during the busy 1st session of the 99th Congress. House Official Reporters covered 1686 hearings generating 164,834 pages of transcript and reported the Floor proceedings during 152 (965 hours) days the House was in session. In addition, the staff efficiently implemented new Congressional Record procedures in September whereby the use of the bullet (.) symbol was discontinued for words not actually spoken on the Floor and replaced with Century Bold typeface.

Official Reporters travelled to 65 field hearings resulting in a savings to the House of $31,329 by not using local commercial reporting firms. Receipts from sales of Committee hearing transcripts more than doubled from last year with $112,251 being turned over to the U. S. Treasury.

Training of three Committee Recording Technicians in House Floor recording procedures began this year to insure that the House has fully competent staff to cover its proceedings. Daily hearing schedules are now provided to the U. S. Capitol Police for their security and information needs and for use in assisting the public.

OFFICE EQUIPMENT SERVICE

Over the years the Office Equipment Service (OES) has professionally managed the ever increasing inventory of office equipment products for the House of Representatives. With the growth of computer related items in the market place and the need for congressional offices to keep pace with their representational duties amid the complexity of information management in today's world, the role of the Office Equipment Service in this process has grown correspondingly.

1985 was a year that once again saw new products and services added to the list of purchased and leased items available to the House of Representatives (20,473 purchased and 5,000 leased products managed by OES -- an increase of 34% over 1984). The acquisition cost of the purchase item inventory is valued at more than $34,081,512 and the lease program reached an annual obligated cost of $9,533,000.

Office Equipment Service was able to save the House of Representatives substantial sums of money last year due to: 1) the continued in-house maintenance, repair and part replacement of automatic and memory typewriters ($460,352) and 2) the disposal of trade-in equipment and through GSA reimbursement ($2,325,217).

A new procedure was instituted last year in which OES personnel worked with the staffs of the Committee on House Administration and House Information Systems (HIS) in formally reviewing "Requests for

Information" (RIF) whereby vendors' products are systematically evaluated for inclusion on the House Approved List of Equipment.

1985 was also the first year that OES included management of on-line computer services in their inventory of approved items.

PROPERTY SUPPLY AND REPAIR SERVICE

The Property Supply and Repair Service is one of the Clerk's largest and most diverse departments with responsibility for the purchase, inventory, upkeep and installation of all furniture and furnishings in the House of Representatives. Last year, this busy office acted expeditiously in completing 43,000 work orders for the offices they serve.

Some highlights from 1985 include the updating and expansion of the Cabinet and Finishing Shops and the completion of an on-line computer inventory system. As usual, the activities of each shop area (Cabinet, Carpet, Drapery, Locksmith, Refinishing and Upholstery) reflected the mission goals of the Property Supply Office -- to maintain top quality, harmonizing furniture and furnishings to the House of Representatives at the lowest possible cost through the use of in-house technicians and on site, manufacturer quality equipment. 36,807 service calls and refurbishing projects and 5,915 upholstery and special furniture construction, and drapery and carpet installation projects were performed in 1985.

OFFICE SUPPLY SERVICE

The Office Supply Service ("Stationery Store") once again experienced an increase in activity with sales (last year) exceeding $7,460,000 -- a 14% rise over 1984 figures.

Printing services provided by the Office Supply staff, such as printing of Members' letterhead, envelopes and Postal Patron (Town Meeting) cards, increased 23% over activity in 1984. There were 2,091 transactions processed for stock to be sent to GPO for printing at a total cost of $274,775 and 400 transactions for stock sent to the engraver at a cost of $34,157. In addition to these items, the Printing Specialist in Office Supply processed other printing requests which in total accounted for purchases of $3,329,095 in 1985, an overall printing increase of 50% over 1984.

Computer modifications in the area of Accounting, Delivery, Inventory and Purchasing have greatly increased efficiency and accuracy in these areas. Yearly Office Supply bids are now computerized with records being monitored, maintained, compared and printed in a fully automated process.

Due to user demand, inventory items available for purchase were expanded by 7% increasing in-stock selections to 2,898 items. The General Accounting Office yearly audit of the Office Supply Revolving Fund again resulted in an excellent report.

OFFICE OF RECORDS AND REGISTRATION

The Office of Records and Registration carries out the Clerk's responsibilities, pursuant to statute, House Rules and Committee directives, by receiving, reviewing and providing public access to reports filed under the Federal Election Campaign Act, the Lobby Act and the Ethics in Government Act. Additionally, tapes of House Floor proceedings, House payroll certifications, House Committee and delegation foreign travel reports, and House Committee hearing transcripts are available for review and/or purchase from this office.

During 1985, 43,285 reports were received and revenues of $12,526 were generated by the sale of materials publicly available from the Records office.

This department also functions under House Rules as the Archivist for the Clerk by receiving the non-current papers and records from House Committees. 2,733 boxes of records were received last year; and an additional 3,000 boxes were transmitted to the National Archives for long-range storage and retrieval.

OFFICE OF LEGISLATIVE INFORMATION (LEGIS)

The Office of Legislative Information records, stores and disseminates legislative status information on all bills and resolutions before Congress. 1985 saw a slight decrease in House and Senate usage due, in part, to the LEGIS data base being placed "on-line" to congressional offices under the Member Information Network. However, telephone inquiries on bill status averaged 942 calls per day and non-congressional inquiries increased to 87,420 calls in 1985, up from 77,817 in 1984. The office generated revenues of $3,160 last year from sales to the public of printed data reports available from the system.

The LEGIS staff continued to provide the Members with their quarterly Legislative Profiles and 346 Members and 48 Committees/Subcommittees utilized the "Autotracking" (Automatic Dissemination of Legislative Information) reports during the past year.

The office continues to work with and support the House Information Systems and the Office of Legislative Operations staff toward the completion of a new data base language (ADABAS) format that will greatly enhance the current information retrieval system.

HOUSE RECORDING STUDIO

The House Recording Studio continued to provide state-of-the-art, quality television and radio broadcast and studio services to the House of Representatives in 1985. Studio sales and usage reached an all time high with revenue exceeding $400,000 with 424 Members served, making this a very busy year for our staff. In addition, the Studio film laboratory was renovated, capital replenishment of the Revolving Fund was accomplished and 965 hours of House Floor proceedings covering 152 days were broadcast into 23 million homes throughout the entire 50 states.

Fiber optic cable was recently installed which will provide Members with the capability of doing satellite transmission on either a live or recorded basis.

HOUSE PLACEMENT OFFICE

The House Placement Office provides the offices of the House of Representatives with a personnel referral service whereby House offices may obtain applications of individuals listed in the Placement Office computer file. The Placement Office responds immediately to such requests and stays in contact with requesting offices until an opening is filled or the job order is withdrawn.

On December 19, 1986, the Placement Office relocated from the Cannon House Office Building to House Office Building Annex II without any interruption of service. In 1985, the Placement Office was visited by 7,047 individuals wishing to place or update applications on file, or to be tested for typing or shorthand skills.

There are currently 15,000 applications on file in the office. The Placement Office successfully located candidates for approximately one out of every three vacancies listed with the office last year.

HOUSE LIBRARY

Under House Rules, this office maintains the official record copy of House generated documents. Serving the Members and Committees, and other Federal departments and agencies, as a reference and loan facility, the House Library continued its historical role as a viable service center meeting the needs of 4,483 visitors last year.

In its daily operation, the staff of the Library provided its users with approximately 301,000 photocopied documents from their holdings and distributed 51,117 copies of the Congressional Record from their counter service located in the basement of the Cannon House Office Building.

HOUSE PRINTING SERVICES

In December, 1985, the Office of Publications and the House Printing Clerks were relocated to the Cannon House Office Building to form one coordinated printing service unit -- House Printing Services -- with responsibility for requisitioning all printing for the House of Representatives ordered through the Clerk, and to provide printing support to other offices in the House.

This office forms the key link between the Government Printing Office and the Office of Legislative Operations, Office of Official Reporters, Committee on Appropriations, Office of the Parliamentarian and the Office of the Bicentennial through processes associated with the ATEX photocomposition system.

Using personal computers, the Printing Services office has established communications with the Clerk's main office, as well with the Committee on Veterans Affairs automating all printing requisitions generated by those offices.

This highly automated department has facilitated the data transmission of Committee hearings, House Floor activities, lists of Members and Committees, the U. S. House of Representatives Telephone Directory and Congressional Record printing requirements with speed and accuracy not previously possible.

ACCOLADE FOR CLERK'S PERSONNEL

Mr. GUTHRIE. I would further like to commend the key personnel in my immediate office who assist me in the management of the Clerk's operations and offices: W. Raymond Colley, the Deputy Clerk; Steven Ross, General Counsel; Tom Ladd, Steve Duffy and Dolores Snow, Assistants to the Clerk; and Ellen Rayner, Administrative Assistant. These individuals, along with the chiefs of several offices, make it possible to provide excellent service to the House, its Members and its committees.

TRIBUTE TO THE LATE ED POLEN

Mr. Chairman, we did suffer a loss in our staff last December that will be difficult to absorb. A veteran House employee and a remarkable person in all respects, Mr. Edward P. Polen, Assistant Chief of the Property Supply Service, died suddenly in Leesburg. Many of you knew Ed, and he assisted greatly in the planning and redecoration of the subcommittee's hearing room only a few months ago. We will miss his expertise.

I would like, Mr. Chairman, to place in the hearing record a tribute to Ed that was printed in the Congressional Record a few weeks ago.

Mr. FAZIO. We are happy to do that and appreciate your bringing it to our attention. Mr. Polen will be sorely missed.

[The tribute follows:]

United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 99th CONGRESS, SECOND SESSION

Vol. 132 WASHINGTON, TUESDAY, JANUARY 21, 1986 No. 1

Tribute to Ed Polen

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, I take this opportunity to pay tribute to Mr. Edward P. "Penn" Polen, of Ashburn, VA, who passed away on December 21, 1985. This came as a shock to me, and to Mr. Polen's many friends among both Members and staff of the House. Since his death occurred during the recess period, I know that not everyone in the Hill community is aware of his sudden passing.

Ed, as he was known to his friends and associates, was a longtime employee of the Office of the Clerk—42 years and 1 month, to be exact. He was a tireless worker and one of the most loyal staff members in the House of Representatives. He was highly respected by many in this Chamber whom he has assisted over the years. At 60 years of age, Ed Polen was assistant chief of the Property Supply and Repair Service when he died suddenly of a heart attack last month at Loudoun Memorial Hospital.

Ed's tenure in the House and in the Office of the Clerk began on November 15, 1943, when he was hired by then Clerk, the Honorable South Trimble, to work as a helper in the Property Supply Office. Since that date, Ed Polen served in the same office in a number of positions ranging from helper to assistant finisher, to assistant upholsterer, to upholsterer, to assistant chief. He had been that office's assistant chief since September 1967. In every position throughout Ed's long career, he was consistently one of the most dedicated of all our employees, constantly devoting all of his energy to further the mission of the Clerk's Office and the interests of the House.

Ed was an organizer of the Congressional Federal Credit Union and received a Distinguished Service Award from the Doorman's Society of the House of Representatives in 1977. In 1980, he received an award for "Distinguished Service to the Congress of the United States, Its Members and Their Staffs." In addition, he received many letters of thanks and commendation from Members of Congress.

Working as he had under five different Clerks: Messrs. South Trimble, Ralph Roberts, W. Pat Jennings, Ted Henshaw, and Benjamin J. Guthrie, the Office of the Clerk and the House had grown to depend on Ed's wealth of knowledge and expertise. His familiarity with property management, his historical perspective, and his downright good judgment were invaluable assets to this institution.

Ed was a lifelong Ashburn resident, a dairy farmer, and active in Loudoun County civic, community, and church work. A devoted father and husband, Ed is survived by his wife Barbara C. Polen; daughters, Debra P. Campbell and Dale P. Myers; brothers, Clayton and Robert Polen, and three grandchildren, Frances Campbell and John and Sarah Myers. Our prayers, sympathy, and love go out to his family and friends at this time of sorrow.

DISCUSSION ON CLERK'S GENERAL COUNSEL'S OFFICE

Mr. FAZIO. Before we proceed, I do underscore my comments earlier about the efforts of you, Ray and Bob and extend praise to the three other officers who serve you, and therefore us.

Let us proceed to the topic of the General Counsel's budget. Specifically, how much is budgeted for the General Counsel? Theirs is an uncontrollable expenditure. Mr. Ross would love to find himself not a party to many of the litigation efforts he is part of. He can't control that. He has to represent us and others.

It is one of those items that has to be absorbed in the budget.

Mr. GUTHRIE. We are fortunate to be able, through the approval of the Committee on House Administration, to detail employees within our organization. We asked last year for the increase of one position for an additional counsel. It has not yet been approved. In the meantime, we are absorbing that, since we are not able to put on any additional employees.

I will have to submit the actual figures for the record for the counsel's office.

Mr. FAZIO. I appreciate that. It is a good indication of how difficult it is to anticipate—particularly in a relatively small area of the budget—responsibilities that cannot be ignored.

Mr. GUTHRIE. Currently we have approximately 105 cases in court. So, we are very, very heavy in court cases. If you like, I can put in the record the numbers.

Mr. FAZIO. Yes, thank you.

COUNSEL'S FUNCTION AND WORKLOAD

Mr. MYERS. There are 105 pending cases?

Mr. GUTHRIE. Yes.

Mr. FAZIO. We need to know the required reallocation and its source. It is increasingly important for us to outline this information in some detail.

Mr. GUTHRIE. I will put that in the record, Mr. Chairman, a lengthy memorandum was prepared by Steven R. Ross late last year which outlines the Council's function and workload.

[The table and memorandum follow:]

GENERAL COUNSEL'S OFFICE

The cost of operating the Clerk's General Counsel's Office in Fiscal Year 1985 was a total of $252,700, as follows:[1]

	5 positions
A) Salaries (FY 1986 salaries will be $270,881 for seven positions)[1]	$226,781
B) Contract legal fees	14,778
C) Travel	11,141
Total	252,700

[1] Does not include two persons detailed to this office for an estimated additional salary total of $38,528 during Fiscal Year 1986. These persons are:

1) Transcriber position detailed from the Office of Official Reporters. The incumbent is performing the duties of an Associate Counsel.

2) Clerk-Typist position detailed from the Office of Records and Registration. The incumbent is performing the duties of a Legal Aide.

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[1] Does not include equipment, telephone, office supplies, etc.

Benjamin J. Guthrie
Clerk

W. Raymond Colley
Deputy Clerk

Office of the Clerk
U.S. House of Representatives
Washington, DC 20515

November 8, 1985

MEMORANDUM

TO: Benjamin J. Guthrie
Clerk

FROM: Steven R. Ross SRR
General Counsel to the Clerk

At the recent hearing of the Personnel and Police Subcommittee of the Committee on House Administration, several questions were posed by Chairman Panetta and Mr. Roberts regarding the current caseload of the Office of General Counsel. The following is a brief description of several of the cases presently being litigated by this office, with a discussion of the nature of the representational services required.

Defense of Enacted Statutes

This category of cases, of fairly recent origin, encompasses those instances in which the constitutionality of a particular statute or the process by which that statute was enacted, has been questioned before the judiciary. In normal circumstances, the official defense of a statute is presented by the Attorney

General on behalf of the United States. However, the Department of Justice has displayed an ever-increasing proclivity to decline to defend a statute or, in fact, to join in and affirmatively attack a statute's constitutionality. The executive branch will take such action when it believes that a given statutory provision adversely impacts upon the constitutional powers or prerogatives of the President.

Because these cases represent adjudications of the questions relating to the basic framework of our governmental system, they require significant legal research and invariably require litigation before several levels of the judiciary.

Presently pending are cases involving the President's authority to exercise a "pocket" as opposed to a regular veto during the adjournment between sessions of a congress. This case is soon to be presented to the Supreme Court by the executive branch in an effort to overturn our victory before the United States Court of Appeals for the District of Columbia Circuit. In this case, we represent the interests of the bipartisan leadership of the House, namely the Speaker, Majority and Minority Leaders, and Majority and Minority Whips.

A second current example of this category is the current litigation concerning the constitutionality of certain aspects of the Competition in Contracting Act. Pursuant to this statute, a nonsuccessful bidder for a government contract is able to obtain a stay of the contract for a specified time period, during which the Comptroller General can provide his advisory opinion on the conduct of the contracting process employed by the agency. The executive branch claims that the Comptroller General's role infringes on the prerogatives of the executive. The Department of Justice also raised the issue of the obligation of the executive branch to implement a law which the President believes is of dubious constitutionality. There have been several cases filed involving this question. We are presently awaiting a decision from the United States Court of Appeals for the Third Circuit in the lead case on this question. The position our office advocated, on behalf of the bipartisan leadership of the House and of the Committee on Government Operations, was adopted by the United States District Court and will hopefully be affirmed in the current appeal. It is expected that the executive will pursue this dispute to the Supreme Court. There is also the expectation that any adjustment to the language of the injunctive relief which was obtained from the District Court will occasion the filing of an untold number of similar lawsuits.

A third controversy falling within this category is a large number of cases, approximately twenty-five, in which the constitutionality of certain provisions of the 1984 Bankruptcy Act has been challenged. Specifically, the Department of Justice signalled that it did not believe the statutory provision which extended in office the sitting bankruptcy judges until new judges were appointed by the Courts of Appeals was constitutional. The executive argued that this constituted an improper "appointment" by the legislative branch. Numerous individuals and businesses facing adverse decision from the bankruptcy bench raised as a defense the judges purported lack of authority. The Department of Justice then intervened in these actions and asserted that the statutory provision was unconstitutional. The Office of General Counsel, on behalf of the bipartisan leadership of the House and the Judiciary Committee, has participated in these suits. Presently, all courts which have addressed this issue have concluded that the statute does pass constitutional muster. The cases are presently pending in several courts of appeal, as well as several district courts. It is anticipated that this controversy will eventually reach the Supreme Court.

The constitutionality of various statutory provisions which require the executive branch to notify the Congress before taking various actions has also occasioned considerable litigation. These disputes arise as various interpretations are made of the Supreme Court's decision invalidating the legislative veto. We have and are representing the interests of various committees, including the Committee on Government Operations and the Committee on Interior and Insular Affairs, with respect to these notification provisions.

Litigation has recently been initiated with respect to the powers devolved upon the Federal Trade Commission and the Federal Communications Commission which will likely result in further instances in which the Congress will be called upon to offer the official constitutional defense of a statutory provision.

These cases are noteworthy, not only in that they establish the parameters within which the branches interact, but that they invariably require considerable legal resources. Disputes between the branches are rarely, if ever, settled by the determination of a single District Court. Rather, such disputes often involve a long series of briefing and arguments to courts at various levels of the federal judicial structure. Assuring that this institution is represented with the vigor and competence that it deserves requires that our office expend considerable time and effort in framing and advocating the House's position.

Private Plaintiff Litigation

A second category of cases is comprised of those brought by private plaintiffs alleging improper action by a Member, Officer or Employee of the House. These range from "nuisance" suits which can be handled with a modest commitment of resources, to those cases which result in considerable motion, appellate and trial work. The following are examples of this category, with an explanation of the amount of legal work required to defend the institutional interest at issue in each case.

In 1982, three members of the Committee on House Administration, as well as the staff director of one its the subcommittees, were named as defendants in a suit brought by a terminated employee. The suit was at first dismissed, on the basis of legislative privilege, by the District Court. The Court of Appeals later partially reinstated the case as to the Subcommittee's Chairman and staff director. Attempts to obtain further review from the Court of Appeals and the Supreme Court were unavailing. The case was remanded to the District Court which has proceeded to prepare the case for trial. To date, the pre-trial aspects of this case have required approximately one hundred separate filings by our office, in excess of twenty-five separate court appearances, and the conduct of over thirty depositions. Literally hundreds of hours have been spent in preparing for the trial of this case. Thousands of pages of documents have been obtained, reviewed and organized for discovery and trial. It is presently anticipated that the trial in this matter will occur early next year. This trial is likely to last ten to fifteen trial days. The plaintiff in this case is presently represented by three attorneys, from three separate law firms, and their support staffs. At various stages, two other attorneys have appeared on behalf of the plaintiff. To effectively defend this action, which seeks several million dollars in damages, requires that our office allocate significant time and effort to this litigation.

A second termination case is presently pending against the Speaker and Clerk of the House. This case is now in the Court of Appeals. It is likely that the district court's determination, that a trial would be required, will be upheld by the Court of Appeals. It can be anticipated that the pre-trial discovery process in this second suit will be just as extensive.

The recent decision by the Court of Appeals to permit various congressional employees to obtain a trial on the merits of a claim of improper termination has, and will surely continue, to require significant representational activity on the part of this office.

Several cases have been brought by persons claiming that the investigative work of a House committee has injured them in some fashion. A leading example of this type of litigation are the cases brought against the staff of the Select Committee on Aging as a result of the committee's inquiry into abuses in the sale of insurance to the elderly. This far-reaching committee study, which resulted in the adoption of legislation seeking to protect senior citizens from certain sales practices, has led to the filing of a nationwide series of lawsuits against the staff of the committee, as well as state and local officials who assisted the committee and the media who publicized the committee's findings. Litigation arising from this investigation alone has required this office to defend two separate civil trials, present four separate matters for review by the Fourth Circuit Court of Appeals, and file two petitions with the Supreme Court. The two trials that have been concluded resulted in complete vindication of the actions of the committee and its staff. The third trial is presently scheduled for early next year. That case has already required well over one hundred separate filings on behalf of the congressional defendants, approximately fifty court appearances, and the conduct of numerous depositions. During the course of this case, the United States District Court for the District of Maryland held the Clerk of the House in contempt for abiding by a House resolution which specificaly forbid him to release certain non-public records of the Select Committee. The court imposed a fine of $160,000.00 upon the Clerk. That fine, and the contempt, were later vacated by the Fourth Circuit Court of Appeals which agreed with the House's position that the contempt and the underlying subpoena itself were matters not properly within the jurisdiction of the court.

One way of assessing the amount of legal services required in the defense of this action is to compare the staff of this office to that offered by the six attorneys, representing four separate law firms, who have been hired to represent the plaintiff.

Defense of Institutional Practices

A third category of litigation is presented by attacks on various practices and procedures employed by the House. For example, this office has been repeatedly called upon to defend the existence and operating procedure of the Chaplain of the House. Several groups have engaged in a litigation campaign to either eliminate or circumscribe the House's practice of maintaining a House Chaplain. The current test is pending before the United States District Court for the District of Columbia. It can be expected that this will require considerable appellate activity.

Within this category, I would place current litigation brought by certain publishing interests challenging their denial of credentials by the periodical press gallery. This litigation is likely to result in considerable appellate proceedings. Furthermore, it can be expected that there will be similar lawsuits filed in the not too distant future.

The series of suits brought by different plaintiffs challenging the House's action with respect to the Eighth Congressional District of Indiana can also be placed within this grouping. That House action has occasioned litigation in five separate courts. Remnants of this dispute remain in the courts.

Challenges have been mounted to the method by which the Congressional Record is compiled, the assignment of Members to committees, and the manner in which specific tax bills are adopted. These challenges, all brought by Members of the House, are evidence of the increasing willingness of people, including participants in the legislative process, to seek resolution of legislative disputes in court.

Witness Protection

This office is currently representing the interest of House committees who have been concerned that witnesses before the committee are being subjected to suit by virtue of their cooperation with a congressional committee. The law provides certain privilege protections to those who testify before a legislative inquiry. However, the preservation and application of that privilege requires that the House take an active role in asserting the protection before the Court. If the House wishes to protect the statutory effect of this privilege, namely the continued willingness of witnesses to cooperate with congressional inquiries free from fear of litigative retaliation, then a vigorous presentation of the institutional interests is a necessity.

Cases respecting House witnesses are presently pending in several different federal courts, including the Court of Appeals for the Third Circuit.

One current example of this category occurred when a high-ranking law enforcement official of the State of New Jersey testified before the Subcommittee on Crime of the Committee on the Judiciary. During his testimony, this official mentioned the name of a certain individual in connection with the use of Atlantic City gambling establishments for the purpose of laundering illicitly obtained funds. The individual mentioned brought a civil damages action against the New Jersey official claiming that the official's testimony before the subcommittee had constituted a defamation.

This suit has required participation at both the trial and appellate levels. Several of these suits have been filed in the last few years and the ever-increasing activity of congressional committees indicates that future suits of this nature are to be expected.

Litigation Concerning Casework

As congressional offices strive to deliver a wide range of representational services to constituents, the exposure to litigation increases. Recent years have witnessed a revolutionary expansion in the amount of constituent casework performed by most congressional offices. Increases in both the demand for such services and the allowances available to members to provide such services have inevitably led to a corresponding increase in the number of lawsuits brought against Members and staff involving constituent services. Members have been sued for communicating with an agency on a constituent's behalf, and for not communicating with an agency. Modest involvement by a Member's office in any ongoing governmental process can lead to the Member being named a defendant in an action. One current suit claims that a Member has damaged a constituent by virtue of his role in obtaining a job-training grant for a group within the district. When the individual constituent did not obtain the employment under the grant that he thought had been promised, suit was filed against numerous individuals, including the Member. Often these suits appear little more than frivolous yet each and every one requires the preparation and filing of a proper motion to dismiss. Courts will bend over backward to assure such individuals their "day in court." This maxim is especially true when one or more of the defendants is a representative of a large governmental institution, such as the House of Representatives. Rarely, if ever, will such suits be dismissed without a full-fledged motion to dismiss and an appearance in court to argue the merits of the motion. Since the area of constituent service has been treated, by the Supreme Court, to be outside the parameters of protected legislative activity, obtaining a quick dismissal of such actions in not necessarily as easy as one might, at first blush, believe.

One noteworthy example of litigation stemming from constituent services is the recent representation provided to one Congressman who was the subject of an administrative enforcement proceeding brought by the Department of Commerce. In this instance, the Department sought to assess a substantial civil fine on the theory that a letter written by the Congressman, on behalf of a constituent corporation, violated the Department's anti-boycott regulations.

The Receipt of Subpoenas

In addition to the many instances in which House Members or personnel are named as defendants in a lawsuit, there are numerous occasions when litigants seek testimony from congressional sources. The House took note of this increasingly prevalent phenomenon with the adoption of House Rule L. This rule, establishing specific guidelines and procedures for responding to judicial subpoenas seeking testimony or documentary evidence relating to the official functions of the House, replaced the prior ad hoc procedure. Just in the few years that this procedure has been in place, the number of subpoenas received has skyrocketed. This year alone, over forty separate subpoenas have been received.

The representation required by such a subpoena may vary from simply assisting in the determinations required by the House Rules and providing counsel at a deposition to the preparation and argument of a motion to quash or for a protective order seeking to protect the privileges and precedents of the House.

Many congressional activities give rise to such subpoenas. The conduct of a committee hearing may play a part in the writing of a newspaper article which becomes the subject of a libel suit. Thus several subpoenas were served upon Hpouse Members and staff during the course of pre-trial discovery and trial in highly publicized suits brought against the Washington Post and CBS. Invariably plaintiff's in such actions seek to discover not only what information may have been provided to the press, but also to explore the House's own investigation. The Washington Post case, which may well require another trial, resulted in numerous deposition sessions for congressional employees and repeated resort to the court to properly protect the privileges of the House committee. The CBS litigation required litigation before the District Court and the Court of Appeals.

Other subpoena actions arise from protest demonstrations conducted in several members offices during recent defense and foreign policy votes. The permissible extent of obtaining testimony from Members and their staff during the conduct of criminal trespass trials resulting from these sit-ins have been a recurrent question.

Advisory Functions

Actual litigation representation constitutes only a portion, albeit a major portion, of the function of the Office of General Counsel. It is axiomatic that an ounce of protection is worth a pound of cure and many Members and employees have heeded our plea that this office be consulted as early as possible to provide legal advise. Offices, aware of the increased risk of litigation and the ever-widening scope of activities which may give rise to such litigation, routinely call upon this office to render legal advice on matters ranging from the termination of an employee to public release of information obtained in the course of a committee inquiry. There are few, if any, offices which have not sought legal advice from this office. Naturally the office continues to provide ongoing legal assistance throughout the Clerk's office. With the increase in the size and variety of functions performed by the Clerk that role has increased proportionately.

Our advisory function is most often utilized by the various committees of the House. The Office of General Counsel is called upon, on a daily basis, to render advise to committees engaged in congressional inquiries. The nature and extent of the legal service provided can vary from simple assistance in the formulation of proper language to be employed in the issuance of a subpoena to full-fledged representation of the committee in responding to a claim of executive privilege. For example the Office of General Counsel represented the interests of the Committee on Public Works and of the House in the privilege dispute arising out of the EPA investigation. The Office is currently assisting several committees and subcommittees in the conduct of major investigations.

To further assist the subcommittee I have enclosed a list of cases currently active in our office. I hope this narrative proves helpful to the subcommittees consideration and enables the Members and staff of the subcommittee to develop a better understanding of the function of this office. I will, of course, be available to discuss this matter with the subcommittee at its convenience.

SRR/sep

OPEN CASES

Alexander v. Risk Management

Alexandria, City of v. United States

Allen v. Carmen

Allen v. Department of Defense

Allen v. FBI

Alliance for Survival v. Western Goals Foundation

Ameron, Inc. v. U.S. Army Corps of Engineers

Anderson v. Tauke

United States v. Archer-Davis-Midland Company and Nabisco Brands, Inc.

Barnes v. Kline

Benford v. ABC

In Re: Benny

Related Bankruptcy Cases:

In re: Administration of the Bankruptcy System

Amarex v. Shear

In re: Associated Grocers

In re: Bankers Financial Corporation

In re: Baldwin-United Corporation

In re: Brauer

In re: Bricker Systems, Inc.

In re: Conley v. All Other Debtors

In re: J. Catton Farms, Inc. v. Christison

Federal Deposit Insurance Corporation v. Moens

Fetzer v. Terry

In re: B. I. Financial Services Group, Inc.

In re: Fishman
In re: Foundation Steel and Wire, Inc.
Hildenbrand v. Paine & Lundin, Bankruptcy Judges
In re: The Kingdom of Heaven
In re: Illinois-California Express, Inc.
In re: The Mason and Dixon Lines, Inc.
In re: Matlock Trailer Corporation
In re: Moens
Federal Deposit Insurance Corporation v. Moens
In re: Mittco, Inc.
In re: Moody
In re: Lawrence Paperboard Corporation
In re: Ervin Pfefferman and Son
In re: Picnic 'n Chicken, Inc.
In Re: Production Steel
In re: Morris A. Shenker
In re: Southern Industrial Banking Corp.
In re: Sweetwater
In re: Tiffany's Bakeries, Inc.
In re: Tracy
In re: Wai
In re: Willie Warren
In re: Wasatch Factoring, Inc.
Badham v. Eu
Baker v. United States
Barkley v. O'Neill
Berkshire Cablevision of Rhode Island, Inc. v. Burke

Blitz v. Donovan

Bodisco v. Burton

Brown v. U.S. Congress

Browning v. Clerk

Chase v. Federal Express Corporation

Cook v. Boorstin

Cruse v. Reagan

United States v. District of Columbia

Farms v. Christison

Fitzgerald v. OPM

Gantt v. United States

Gregg v. Kennickell

United States v. Gillin

Gregg v. Barrett

United States v. Hansen

Guttmacher v. McPherson

Hicks v. Bieber

Yip Hon v. Pagano

Patricia Hughes v. Congressman Dyson

Indiana, State of v. U.S. House

Intl Union, UAW v. Donovan

Itel v. District of Columbia

Jones v. Nadler

Keefe v. Library of Congress

Koerner, In the Matter of

Kurtz v. Regan

Landes v. United States of America

Lear Siegler v. Lehman

Monterey v. Naval Post-Graduate School

Morgan v. United States

Muyshont v. White

National Lawyers Guild v. Attorney General

National Wildlife v. Burford

Oregon, State of v. Wright v. Weaver (I)

Oregon v. State of Wright v. Weaver (II)

Paisley v. CIA

Parola v. Monterey

Parola v. Weinberger

Pettingell v. Holmes

Pitney Bowes v. United States

Public Citizen Health Research v. Rowland

Quinn v. Legislative and Judicial Branches

Quillin v. United States Government

Rahimuddin v. Dohm

Rodriguez v. Barry

Sabreliner Corp. v. United States

Samolyk v. Visiting Nurses and Home Health Services of Greater Connecticut

Seattle Master Builders Association v. Northwest Power Planning Council

Securities and Exchange Commission v. Paradyne Corp.

Shaw v. The Senate Budget Committee

Suddeth, Gene, In Re:

Tavoulareas v. Comnas

Taylor v. Wilson

Ticor Title Insurance Co. v. FTC

Toth v. Great Western Cities

Triton v. Gore

United States v. Wulff

Van Skiver v. Morton

FY 1987 BUDGET REQUEST, OFFICE OF THE CLERK

Mr. **Guthrie**. Mr. Chairman, the Clerk's Fiscal Year 1987 personnel budget has been based on the total number of authorized positions, longevity increases, a summer intern program and the restoration of the reductions previously mentioned. The total is $14,260,000. This total takes into account any anticipated vacancies, but does not include any funds for additional positions that I may propose for certain offices, reclassifications or reorganizations. I would expect to offer some savings in such an overall proposal, also.

Let me assure the Subcommittee, Mr. Chairman, that we will do our best to continue providing services to the House as we assist you in meeting the needs for these budgetary restraints.

I will be happy to respond to any questions and would like to insert the table in the record.

[The table follows:]

CLERK

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$13,599,000	$13,656,000	$14,260,000
Expenditures	13,306,199	3,379,056	0
Unexpended balances	292,801	10,276,944	14,260,000

OFFICE OF THE SERGEANT AT ARMS

Mr. **Guthrie**. At this time, I would like to present the following requests for the operations under the Sergeant at Arms, and insert the related tables:

[The tables follow:]

Office of the Sergeant at Arms

	FY 1987 request
Mileage of Members	$210,000
Office of the Sergeant at Arms	17,989,000
Capitol Police (general expenses)	2,068,000
Capitol Police Board	0

MILEAGE OF MEMBERS

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$210,000	$150,000	$210,000
Sequester (P.L. 99-177)		−6,000	
Expenditures	110,000	16,500	0
Unexpended balances	100,000	127,500	210,000

OFFICE OF THE SERGEANT AT ARMS

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$18,430,000	$18,269,000	$17,989,000
Expenditures	18,125,978	4,586,742	0
Unexpended balances	304,022	13,682,258	17,989,000

CAPITOL POLICE—GENERAL EXPENSES

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$1,471,000	$1,336,000	$2,068,000
Sequester (P.L. 99-177)		-57,000	
Expenditures	1,102,128	27,525	0
Unexpended balances	368,872	1,251,475	2,068,000

CAPITOL POLICE BOARD

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$141,188	$109,000	0
Sequester (P.L. 99-177)		-5,000	
Expenditures	137,398	0	0
Unexpended balances	3,790	104,000	0

SERGEANT AT ARMS

Mr. GUTHRIE. The Honorable Jack Russ and his associates are here to discuss the operations of the Sergeant at Arms at this particular point.

Mr. FAZIO. Jack, welcome.

It is our pleasure to see you and indicate our gratitude for the job that you do in the increasingly complex protection of this institution and the Members and staff; and also we want to welcome Chief Carvino and his personnel.

Jack, would you proceed with your statement and then introduce others who have joined you? Then the Chief can make his statement.

BRIEF STATEMENT OF MR. RUSS

Mr. RUSS. As usual, I have a statement from which I will read a brief part. I will submit the bulk of it for the record.

It is a privilege to be before you once again to discuss the budget request for the Office of the Sergeant at Arms, the Capitol Police and Capitol Guide Service. I look forward to answering any questions the committee may have, as well as providing additional information in support of those requests.

During the past year, over one million American and foreign tourists visited the Capitol. The President addressed a Joint Session of Congress twice, and there were four joint meetings to receive Heads of State. Throughout the year, there were hundreds of demonstrations, concerts, dedication events, and visits by foreign dignitaries.

The Capitol Police have endeavored to make these events as safe and free from violence as possible, and to protect the Members, staffs and visitors to the Capitol building itself. This commitment, to protect the Legislative Branch and the most widely recognized symbol of democracy in the world from threats and violence, has become more costly. In light of the incredible recent increases in terrorist attacks worldwide, we have reevaluated our ability to fulfill that commitment and are improving our police force.

I will submit the remainder of my statement for the record.

[The statement of Mr. Russ follows:]

STATEMENT BY JACK RUSS, SERGEANT AT ARMS, TO THE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON LEGISLATIVE BRANCH APPROPRIATIONS

Mr. Chairman, it is a privilege to once again appear before you to discuss the budget request for the Office of the Sergeant at Arms, the Capitol Police and the Capitol Guide Service. I look forward to answering any questions the Committee might have as well as providing any additional information the Committee might require in support of these requests.

Mr. Chairman, due to an unfortunate mistake in the original calculation of our FY '87 personnel request, the request in the Subcommittee print is not an accurate figure. The figure should be $19,359,000. In both the immediate Office of the Sergeant at Arms and the Capitol Police the increase reflects increases in longevity/meritorious costs and in overtime only; no additional positions are being requested.

Mr. Chairman, I would now like to go over in some detail the recommendations for the FY '87 general expenses budget for the United States Capitol Police.

During the past year, over 1.2 million American and foreign tourists visited the Capitol. The President addressed Joint Sessions of Congress twice and there were 4 Joint Meetings to receive foreign heads of state. Throughout the year there were hundreds of demonstrations, concerts, dedication events and visits by foreign dignitaries. The United States Capitol Police have endeavored to make these events as safe and free from violence and crime as possible, and to protect the Members, staff, visitors, and the Capitol building itself. This committment, to protect the legislative branch and the most widely recognized symbol of democracy in the world from threats and violence, has become more costly. In light of the incredible recent increases in terrorist attacks worldwide we have reevaluated our ability to fulfill that committment and are improving our police force.

Mr. Chairman, I am submitting for consideration a proposed budget of $2,068,100 for United States Capitol Police operating expenses for FY '87. Increases in the Capitol Police budget reflect a greater emphasis on professional training in all areas--management, operations, communications, technical skills, protective services, recruit training. It also includes additional equipment for communication, crisis response, intelligence and legal research. In summary, the proposed operating budget for FY '87 is as follows:

$143,352 TRANSPORTATION OF PERSONS

Includes airfare, car rental, mileage, tolls, per diem and all other costs associated with official travel. Almost half ($64,000) is travel to and from the Federal Law Enforcement Training Center (FLETC) for officer training. The increase in this request is due to additional travel to professional training courses and seminars for mid-level and senior management and a new line item of $20,000 for travel associated with Member protection authorized by the Police Board.

$113,981 RENT, COMMUNICATIONS AND UTILITIES

Includes rental, repair and maintenance of telephones, teletype machines, law enforcement electronic data files, communication antennas, office copiers, mobile telephones, electronic equipment and vehicle rental for the Drug Enforcement Unit. An addition to the budget this year is a LEXIS/NEXIS data system ($9,000) for legal and intelligence research.

$428,828 OTHER SERVICES

Includes training expenses, professional promotion testing, K-9 Unit operational expenses, alterations, maintenance and upgrading of uniforms, vehicle repair which cannot be done in our shop, camera repairs and the salary for the secretary to the Capitol Police Board. The areas of increase are in tuition and registration costs for professional training of mid-level and senior officials in management and supervisory skills, training courses for officers promoted in FY '87 and refresher courses to keep specialized officers abreast of changes in their fields ($48,144), a new system of written testing ($10,000) and psychological screening ($20,000) of recruit applicants, and an employee assistance program ($20,000). The single largest addition is $140,000 to cover the cost of recruit training at the Federal Law Enforcement Training Center (FLETC) in the event the Treasury Department is no longer required to fund training (it is still undetermined who will pick up FLETC costs).

$903,736	SUPPLIES AND MATERIALS Includes books and subscriptions for training and legal reference, office supplies, printing materials, drug testing kits, photographic supplies, batteries, materials to produce Congressional identification cards, ammunition, communications and auto parts, gas and oil, uniforms and accessories, and supplies for training and investigations. Substantial increases are expected in gasoline and oil costs ($90,000), communications equipment parts and repair costs ($41,500), uniforms ($500,000), and the cost of office supplies as a result of increased management emphasis on studies, reports and internal communication ($27,292).
$478,203	CAPITAL ASSETS--EQUIPMENT Includes major equipment purchases such as vehicles, radios, service revolvers, video recording equipment for training and special events, tear gas, gas masks and photographic equipment. Reflected are the usual replacement costs for this equipment because of wear and tear. New items include an additional station wagon and step van for the Containment and Emergency Response Team (CERT), additional portable radios, video equipment for ongoing in-house training and instruction, a system analyzer for radio repair, a collator to reduce manhours currently spent collating General Orders, Special Orders, etc., an additional polygraph machine to test applicants, and a telephone decoder register.

Mr. Chairman, today I am asking for $85,400 less than the amount printed in the Subcommittee document for the FY'87 Capitol Guide Service budget. The original request of $934,000 included funding for five additional positions which the Board believed would be authorized, but as of last week the approval process had not been completely and therefore the authorizing language is not in the Subcommittee print. The revised request is $848,600, which is $18,400 less than last year's original appropriation.

THANK YOU, MR. CHAIRMAN.

QUESTIONS FOR THE RECORD

Mr. Fazio. I have some questions for the record at this time.

[The questions and responses follow:]

Question. We know that the Gramm-Rudman-Hollings Act had an impact on your operations. How much was sequestered? What effect will it have on your operation? Indicate specific expenditures that you will reduce with a comparison to the originally approved budget. Also, indicate actual fiscal 1985 expenditures for those items.

How were the Gramm-Rudman reductions allocated, particularly in the personnel accounts. Did certain sub-accounts take a greater "hit" than others? How were these decisions made?

Response. The FY '86 appropriation for the Office of the Sergeant at Arms and Capitol Police is $18,269,000 ($400,000 less than requested). The Gramm-Rudman reduction of 4.3% mandates a sequestration of $785,567. Of that $785,567, $35,355 will be from the immediate Office of the Sergeant at Arms, and $750,212 will be from the Capitol Police.

The reduction for the Immediate Office of the Sergeant at Arms should be realized without having to furlough personnel because of a vacancy in a position.

The reduction for the Capitol Police personnel budget will have a severe impact. The Capitol Police are prepared to operate within the constraints of Gramm-Rudman, but the consequences will have enormous impact on the services provided and the security of Members of Congress and the building. I would therefore like an opportunity to discuss further with the Committee this impact.

To reduce personnel costs, the Capitol Police have already imposed stringent restrictions on overtime and have placed a freeze on hiring. Due to a high attrition rate which has created a training backlog, the Capitol Police have been operating with a shortfall which has been covered by paying officers either overtime or compensatory time. Through more efficient and effective management of personnel resources we have compensated for the shortfall to a large degree and cut down on overtime. Reductions were made in administrative and investigative units and as many officers as possible were reasigned to security-related jobs to meet daily manpower commitments to cover posts. These administrative and investigative reassignments to uniform services have severely impacted on the ability to supply necessary logistical services to support departmental operations. Because of anticipated Gramm-Rudman cuts the training class scheduled to report in February to the Federal Law Enforcement Training Center (FLETC) in Georgia was suspended, further exacerbating the manpower shortage.

In addition to these steps, to meet Gramm-Rudman requirements the Capitol police may be required to; dismiss the recruit class now at FLETC (24) which will result in a total of 64 vacancies (45 on the House payroll, 19 on the Senate payroll); cancel all scheduled longevity increases; withhold in-rank pay increases (those officers scheduled to be promoted from private to private first class); and furlough oficers (3 days for each officer on the House payroll, 13 days for each officer on the Senate payroll) or make an additional reduction in force of 55 officers.

All solutions either directly diminish the availability of personnel to provide security or indirectly have the same effect by making us less competitive in pay and benefits, thereby encouraging resignations. This diminished availability of personnel has real consequences in terms of the levels of security and services provided to Congress.

Question. Outline the steps you could take to hold total operating and personnel expenses for FY '87 to the post-sequester FY '86 level.

Response: As mentioned earlier, stringent restrictions on overtime have already been implemented. Though the Police are striving to meet the reductions for FY '86 while minimizing the adverse impact, a long-term cap on the personnel budget at present levels will absolutely jeopardize Congressional security. Similarly (though to a lesser extent), a long-term cap on our General Expenses budget at the current level will have a serious negative impact on the ability of the Police to effectively serve the Congress. A particular area which needs improvement and would suffer greatly is training, an area which has been sorely neglected in the past.

Cutting overtime through better management will not altogether eliminate the inherent need for overtime. The security needs of Congress can only be met in certain cases by working the Capitol Police overtime, as when the House and Senate are in session for long periods of time, when the Congress invites Heads of State to address Joint Meetings, when the President addresses Joint Sessions, and when large demonstrations take place on the Capitol grounds. For example, when the Prime Minister of Great Britian addressed a Joint Meeting of Congress last year the cost in overtime alone (in addition to those regularly scheduled to work), was $20,253. The cost in overtime is even greater for joint sessions to hear the President speak, and for large demonstrations.

In summary, the Capitol Police were underfunded from the beginning of FY '86 ($400,000 was cut from the House request; $614,000 from the Senate request). Money which might have been left over in the salary account as a result of vacancies and delayed promotions and used to pay overtime (which exceeds the original conservative projection of $750,000 for each payroll) is not available. (For several years unexpended money in the salary account has been used to make up for the lack of funds in the overtime account. Realistically, overtime has been running at a higher rate than the money budgeted.) The GRH cuts in addition to the cut in the original request is a total of $2.5 million which the Capitol Police are required to absorb.

STATEMENT FROM CHIEF CARVINO

Mr. RUSS. We do have unique problems with the Capitol Police, especially in one area, that is salaries, Mr. Chairman.

Mr. FAZIO. I had some discussion with you and others about the subject.

If the Chief has a statement that would encompass this, perhaps he could make it at this time.

Mr. CARVINO. Mr. Chairman, it is a privilege to appear before you to discuss the budget request of the United States Capitol Police. I look forward to answering any questions the committee might have, as well as providing any additional information the committee might require in support of these requests.

The increased request reflects concern on our part relative to our ability to respond to domestic and international concerns. We are concerned about essentially the acts of terrorism both domestic and foreign, security of the Members of Congress, the staff, and visitors to the Capitol complex; the quality of services at the management and supervisory level we are able to provide; constitutional questions dealing with demonstrations; and our ability to increase our training to avoid problems in the areas of negligent training, retention, hiring, promotion, supervision and entrustment.

We have problems in security awareness which require training, security methods of technology, and keeping abreast of changes, and protective detailed responsibilities. Those are among the major things that we feel are important.

HIGH TURNOVER RATE IN U.S. CAPITOL POLICE FORCE

Again, we have a problem with the rate of personnel turnover which in the last four years has gone from approximately 3 percent up to almost 10 percent, which creates a continuing problem escalating costs on training and overtime costs, which we can get into in detail.

Mr. FAZIO. I have some questions for the record at this time.

[The questions and responses follow:]

SERGEANT AT ARMS

Question. How many staff are included in the Sergeant at Arms budget? How many in the bank?

For the record, supply the number of staff and funding in your budget for each of the Sergeant at Arms entities. Separate the employees who actually work at bank activities from the others in the office.

Response.

PERSONNEL BREAKDOWN FISCAL YEAR 1987 COMPENSATION

Position title	Number of positions	Annual salary
Immediate Office of the Sergeant at Arms:		
Sergeant at Arms	1	$73,600
Executive assistant	1	38,700
Executive secretary	1	30,200
Floor:		
Pair clerk to the majority	1	68,700
Assistant Sergeant at Arms	2	61,900
Bank:		
Deputy Sergeant at Arms, Bk. Dir	1	65,300
Assistant data processor	1	30,200
Director, payroll unit	1	49,200
Operations officer	1	49,200
Assistant operations officer	1	39,500
Payroll technician	2	69,100
Data processor	1	34,900
Cashier	3	107,600
Auditor	1	30,200
Appointments desk assistant	2	40,100
General Counsel U.S. Captiol Police	1	42,400
Subtotal	21	830,800
Capitol Police:		
Chief	1	72,300
Deputy Chief	2	118,900
Inspector	4	197,200
Captain	7	309,500
Lieutenant	18	662,300
Sergeant/special technician	71	2,210,600
Detective	13	388,200
Technician/plainclothes officer	35	954,200
Private first class	409	10,360,100
Private	86	1,754,500
Subtotal		17,027,800
Estimated overtime		1,500,000
Subtotal	646	18,527,800
Subtotal above	21	830,800
Grand total	667	19,358,600

Question. How many of the Sergeant at Arms' staff are on the House-side Police force?

Response. 646, broken down by rank as follows:

Capitol Police personnel on the payroll of the House Sergeant at Arms

Rank:	*Total*
Private	495
Plainclothesman	10
Technician (clerk)	19
Technician (K-9)	6
Detective	13
Special Technician	4
Sergeant	67
Lieutenant (Incl. 1 spec. officer)	18
Captain	7
Inspector	4
Deputy Chief	2

Chief	1
Totals	646

The funding requested for these positions in fiscal 1987 is $17,027,328 for salaries and an additional $1,500,000 for overtime (a total salary and overtime request of $18,527,328). Although the FY 1987 salary request represents a 6% increase over estimated actual salary expenditures for FY 1986, no new positions are projected above the 646 presently authorized. The increase results from longevity/merit pay raises and anticipates staffing of 28 positions currently vacant. The additional amount requested for overtime expense is an increase of 100%, above the $750,000 requested in FY 1986. However, historical data indicates that requirements for police services actually generate substantially more overtime than was budgeted in fiscal 1986. The request for FY 1987 is a reflection of a more realistic appraisal of overtime requirements.

OVERVIEW OF CONCERNS

Mr. Fazio. Jack, would you care to comment?

Mr. Russ. It will be even more difficult for us to maintain an adequate security environment here when we have been asked to cut back in our personnel. We are currently the lowest paid police department within all the major jurisdictions in the area.

We have a situation where, in the next year, 315 positions are going to be up for retirement. That is going to leave us with a big void. We are not currently filling vacancies. If these people choose to take their option of leaving, we could get caught with about 800 or 900 officers, instead of a 1,200-man police department.

That is when the hard cuts will be necessary. We will have to close buildings down. People who have been accustomed to walking in and out of office buildings 24 hours a day are not going to be able to do it.

It is hard for us to project a lot of our overtime expenses because, as you are well aware, funerals come under our office. When a funeral for a Member is held; it must be afforded security coverage. Or, you can develop a situation similar to the Korean incident a year and a half ago. Because of inadequate security at a funeral, a bomb went off which killed 15 or 20 people. It was the same type of funeral which is held for dignitaries here; all the Members in one area. At this type of event, the Capital Police furnishes security patrol including our own people down, use our K-9 coverage and special forces. We also work with the local law enforcement organizations. Fortunately, we have avoided similar situations.

The President of the United States visits the Capitol on numerous occasions. Last year we counted 17 visits. Not all were Joint Sessions, but still require a lot of manpower.

Mr. Fazio. I understand.

Mr. Russ. Every week some Head of State arrives at the Rayburn Building to meet with the Foreign Affairs Committee. These events require overtime expenses which just cannot be programmed.

COMPENSATION OF U.S. CAPITOL POLICE

Mr. Fazio. Could you or the Chief outline the problem with the structure of police pay? I understand there is a tendency to lose many of our experienced mid-level people because they can find better salaries in suburban police departments after we pay to train them.

Mr. Russ. I think that is a problem of the Sergeant at Arms' office. I have to take full responsibility for that. The Sergeants at Arms in the past, and myself, have not asked for a pay raise. I don't think we can continue any longer without an adequate pay package across the board for every policeman in our department. And we need to address the retirement system.

Mr. Myers. The timing could not be worse, Jack.

Mr. Russ. You are right.

I have a few charts here.

Mr. Fazio. I would like to see them.

Chief, chime in if you have comments to make.

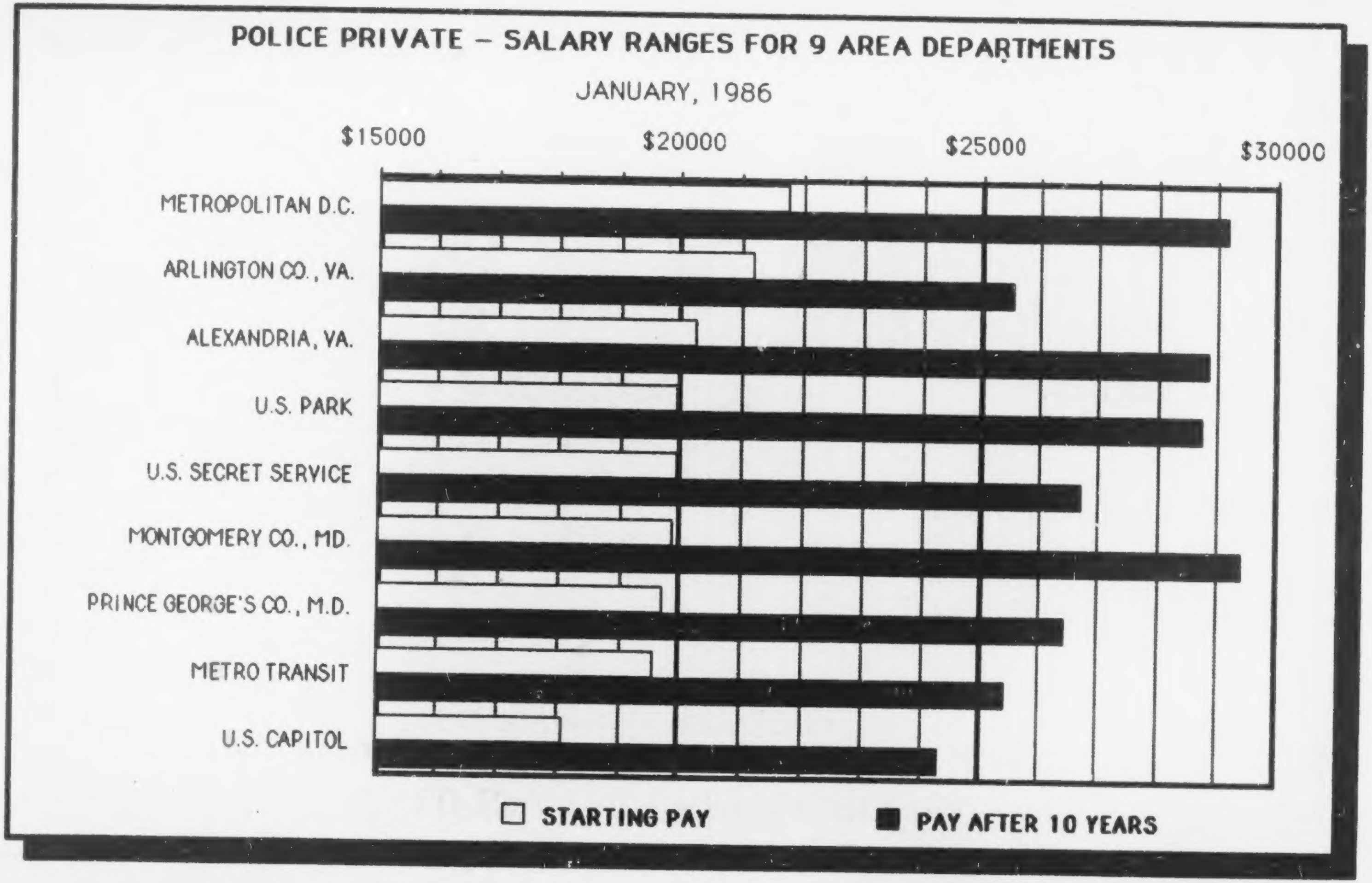
Mr. Russ. This is a chart that shows the starting pay for every department. You can see the difference in pay. Alexandria, Virginia, Montgomery County, Prince George's County, even Metro Transit pays more than the Capitol Police.

Mr. Fazio. Does the chart include both starting pay and pay after 10 years?

Mr. Russ. Yes. It shows both.

The police service and salary charts are inserted for the record.

[The charts follow:]

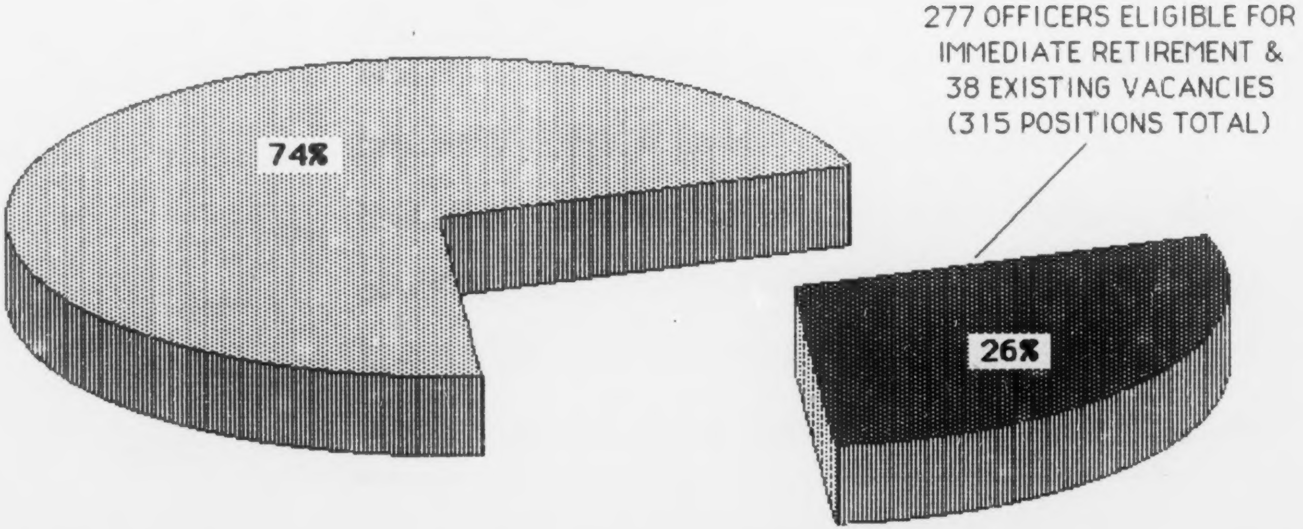


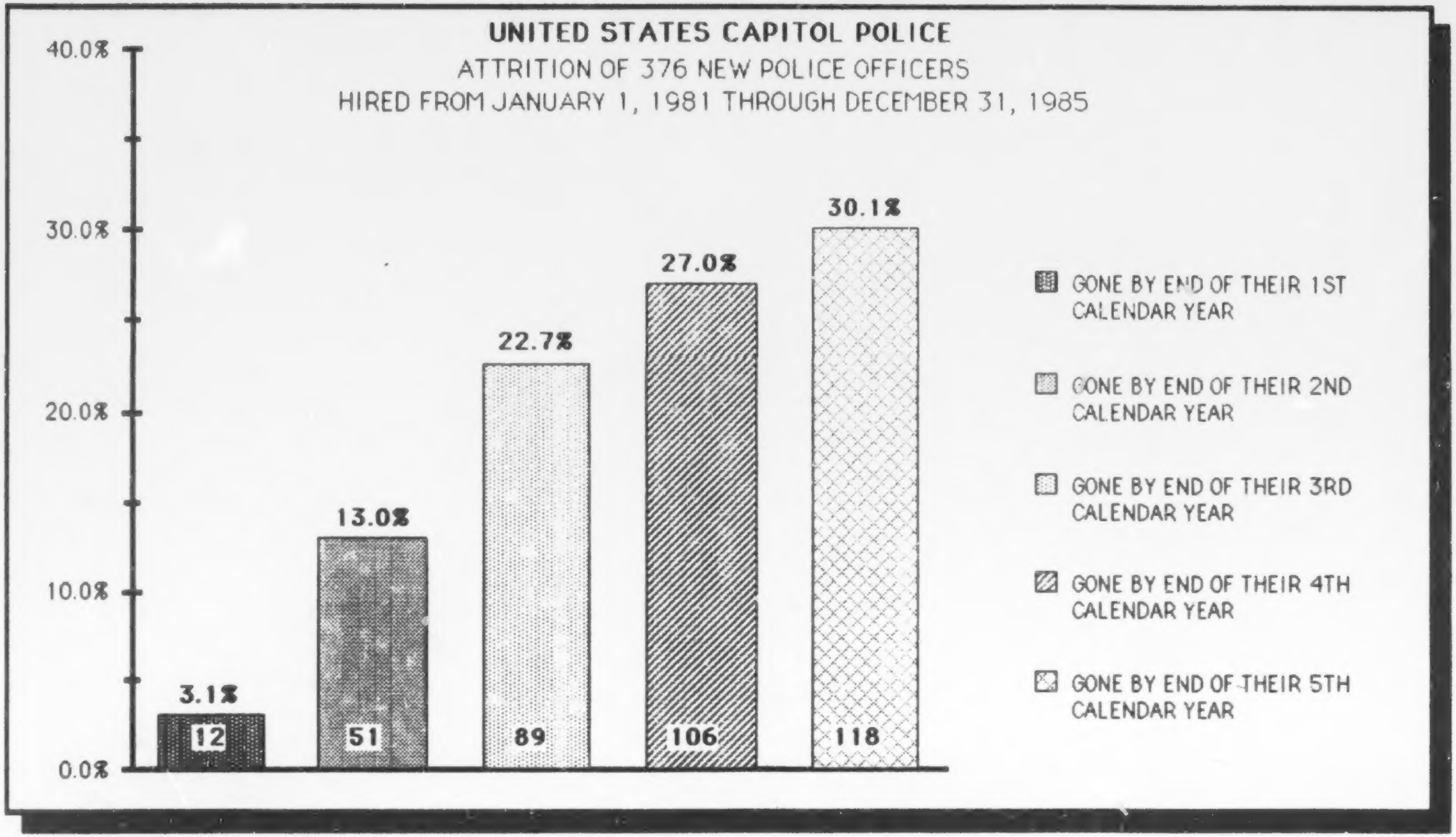
POLICE PRIVATE – SALARY RANGES FOR 9 AREA DEPARTMENTS

JANUARY, 1986

UNITED STATES CAPITOL POLICE

POTENTIAL IMPACT OF RETIREMENTS ON POLICE READINESS
(1,227 POLICE POSITIONS)
FEBRUARY, 1986

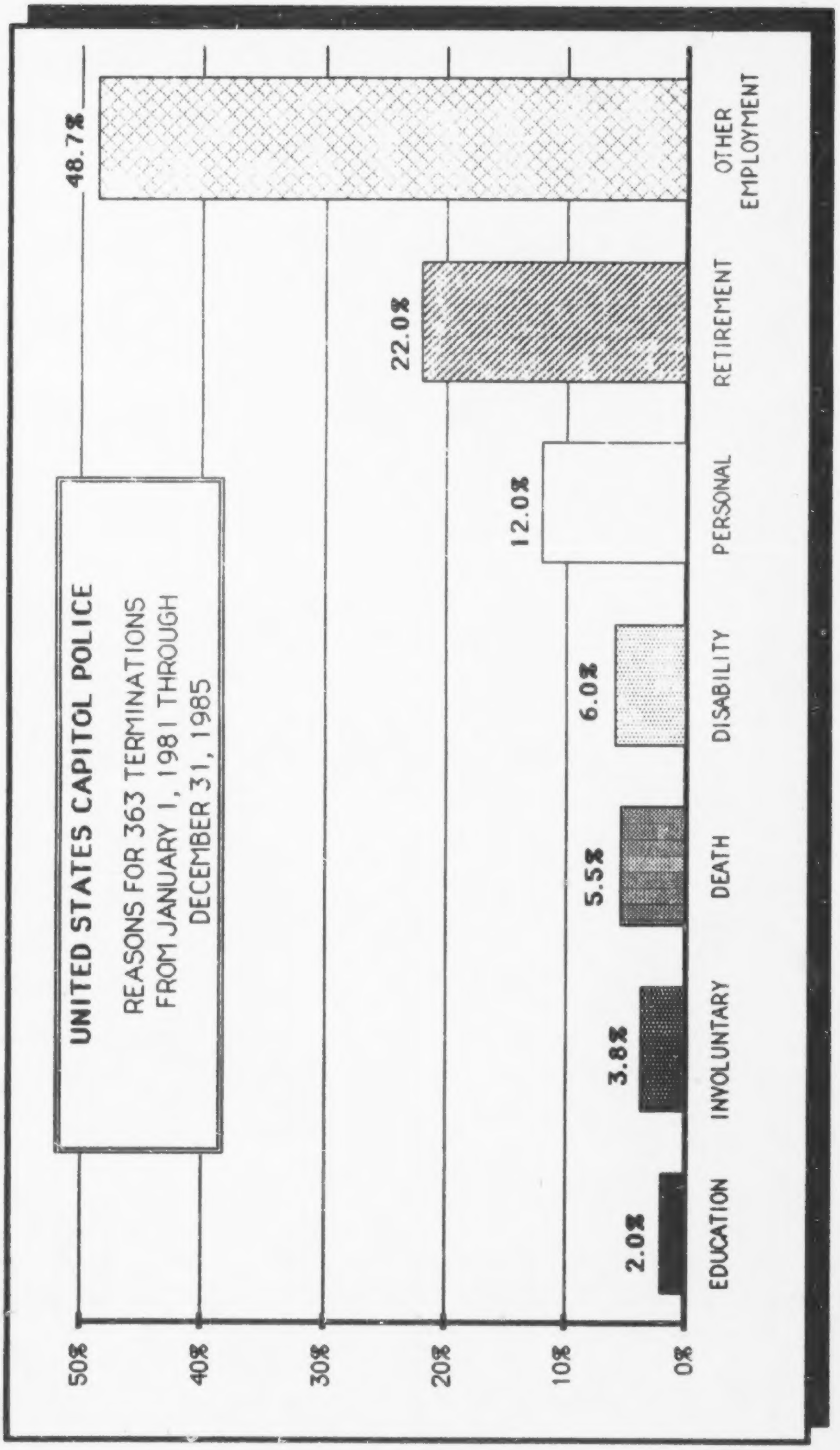




UNITED STATES CAPITOL POLICE

ATTRITION OF 376 NEW POLICE OFFICERS

HIRED FROM JANUARY 1, 1981 THROUGH DECEMBER 31, 1985



UNITED STATES CAPITOL POLICE

REASONS FOR 363 TERMINATIONS FROM JANUARY 1, 1981 THROUGH DECEMBER 31, 1985

POSSIBLE RETIREMENTS

Mr. Russ. This is the situation we are going to be facing. Out of 1,227 positions, 315 positions are going to be up soon. These guys can go out on retirement. Because we are not appointing new police officers, we are asking the ones we have to work longer hours, lose weekends.

If I were in this 26 percentile and was asked to start working 6 days a week, give up certain benefits I had been used to, I think I would take my retirement option. If the eligible officers choose retirement, we are going to be faced with the same severe personnel shortage that occurred in 1971 when the bomb went off.

We have to do one of two things: have an emergency meeting and increase the pay, or go to the Army as they did in 1970, and hire 600 people right out of the Army post.

Mr. Fazio. Those individuals were the World War II and Korean veterans?

Mr. Russ. After the bomb went off in 1971, we hired close to 600 policemen from around the country. We got them mostly from——

Mr. Fazio. Military police background?

We hope to resolve the staffing situation through a variety of sources.

Mr. Russ. As of the first of the year, we are losing our best people. We are losing them because we are behind in pay. A swingset, a car, whatever, these guys starting their careers have similar needs and expenses.

We take a person on, send him down to FLETC, train him, spend the money, pay for the uniforms, and he stays one year. The State Department is so blatant now they are coming up and recruiting on the Plaza. They give a guy a 15 percent pay raise as is.

There is a proposal to provide State Department $4.4 billion for security. It seems to me we can give them $3,000,000 less to provide for the police. That is the way I look at it.

Mr. Fazio. Out of the 376, how many left during the first year?

Mr. Russ. Twelve are first-year people. If we can keep the officers after the first year, we still have difficulty the second and third year.

EXCELLENT POLICE TRAINING

People are now recognizing that the Capitol Police are some of the best trained policemen in the area. We receive excellent training. Our structure here and, of course, at the Federal Law Enforcement Training Center in Georgia, offers top notch training.

It is understandable that the State Department or other agencies take our people.

Mr. Fazio. Let me ask you—this is not a total deviation from our point. We put some money in the continuing resolution last year to compensate for the costs of training our people at the Federal Law Enforcement Training Center in Georgia.

Is it working?

Mr. Russ. Absolutely.

Mr. Fazio. Is it not becoming an additional fiscal burden?

Mr. Russ. Not at all.

DISCUSSION ON PHYSICAL SECURITY PLAN

Mr. **Fazio**. Chief, do you or Jack have a plan that you are presenting to the Capitol Police Board? We are not the final word. Obviously, we would, have to appropriate any additional funding required.

Mr. **Carvino**. We have a plan we submitted.

Mr. **Fazio**. As John Myers said, this couldn't be a worse time.

Mr. **Russ**. We have been working with the whips, the two Senators from the Senate Whip organization over there and Trent Lott and Mr. Foley on the House side. This is a complete security plan for the Capitol. It includes three phases. We presented it to them, and they are studying it now, and they are going to try to give us a yea or nay on which proposals they think we should go with.

Mr. **Fazio**. Are you talking about a pay reformulation as part of the overall security?

Mr. **Russ**. No. This is strictly security; has nothing to do with pay.

Mr. **Fazio**. That is why I was asking specifically on the pay.

Mr. **Russ**. We have not got into the pay.

Mr. **Fazio**. You have shown us your needs in detail.

Are we going on to the next level of a solution?

Mr. **Russ**. We are trying to deal right now with physical security. Of course, the pay is part of our overall problem. But we were asked to deal with physical security first. And then I mentioned to them pay as a unique problem.

Mr. **Fazio**. You can't divorce them. For many reasons, you shouldn't.

Mr. **Russ**. There is a security plan which I have talked to Ed about that we would like to have a confidential meeting with this subcommittee go over in detail the security plan for the Capitol.

Mr. **Fazio**. I can speak for the other members of the subcommittee when I say we are not opposed to making improvements in security, but we do want to have a comprehensive plan submitted to us.

Several times over the last year we have seen proposals from the Architect's office, or from your shop: shatter-proof glass; hydraulic barriers; quick responders; metal detectors—all of which we have no bias against. Our concern is that we don't want a piecemeal approach.

This committee and House Administration deserve a comprehensive overview of what the security improvements should entail. We will then be in a better position to make an overall assessment.

Mr. **Russ**. We stand ready to make a presentation any time you are ready.

FURTHER DISCUSSION ON PAY AND SECURITY PLANS

Mr. **Fazio**. We are not the ones who will have to approve the pay structure. However, this committee would ultimately be required to fund the recommendation.

I urge you to provide an updated system of pay to try to not only attract, but retain the quality people that we are now losing to the nearby jurisdictions and other Federal agencies. We can't continue to do that, and we can't have a modern, up-to-date security program implemented here with untrained or less than fully capable personnel.

Mr. RUSS. We are going to work with Mr. Panetta on that. Our meeting this morning was cancelled because of the floods back in his district. As soon as Mr. Panetta comes back the Chief and I will meet with him. We have a detailed package that will, hopefully, take us above the rest of the departments where we can attract and keep our best.

Mr. FAZIO. We should be competitive at this point.

Mr. RUSS. Agreed.

Mr. FAZIO. The subcommittee looks forward to your presentation. We can then evaluate the funding support. It is yet an additional example of the difficulties encountered in handling Gramm-Rudman.

The Clerk has indicated that he will not present a supplemental. There may be others who will choose the same approach, knowing how difficult it will be to pass one.

There will be criticism if any kind of terrorism act occurs which could be traced to a lack of security precautions, particularly if they had been proposed and not funded.

Mr. RUSS. You have to give a lot of credit to Chief Carvino for developing alternative plans. He can tell you exactly what will happen if we have to start cutting back when Gramm-Rudman goes into effect. We hope we won't have to furlough personnel, but we do have a plan for that.

FY 1986 CAPITOL POLICE SEQUESTER AND PROJECTED IMPACTS

Mr. FAZIO. Give us the amount sequestered from your area of responsibility and tell us what effect it will have on your operations.

Mr. CARVINO. Fiscal year 1986 salary budget amounted to $17,446,800, including overtime. Subtracting 4.3 percent of the Gramm-Rudman-Hollings bill takes away $750,212 from the Capitol Police budget funded through the Office of the Sergeant-at-Arms. The year to date salary expenditures come to approximately $5,330,000 taking from the—what was left of the $166,096 leaves us with $11,365,634 to the end of the year.

The projected salary cost, taking into consideration attrition and also not taking on any new hires or filling any vacancies, is estimated at $10,695,673, which leaves us in our budget $669,961.

Mr. FAZIO. I have some questions to be answered for the record.

[The questions and responses follow:]

CAPITOL POLICE

GENERAL EXPENSES

Question. We know Gramm-Rudman has had an impact on your operation. How much was sequestered? What effect will it have on your operation? For the record, indicate the specific expenditures that you will reduce as a result of GRH with a comparison to the originally approved budget. Also indicate actual fiscal 1985 expenditures for those items.

Response. GRH cuts have resulted in sequestration of $57,448 in the Capitol Police General Expenses budget. We have been able to sequester the money required because several items in our FY '86 budget cannot now be purchased or did not cost as much as originally anticipated. Items not purchased now are necessary and will eventually be needed, but to meet Gramm-Rudman requirements sacrificies must be made and the adverse impact absorbed. The following specific line items were reduced by the amounts indicated:

Specialized photographic equipment (primarily black and white photo processing equipment)—This major capital outlay was included in the FY '86 budget in anticipation that the Capitol Police headquarters would be relocated to the old Immigration Building prior to the close of the fiscal year. However, the building is not complete and there is insufficient space to house the equipment in the present headquarters. Even without GRH constraints this item would have been deferred for inclusion in the FY '88 budget request. The amount sequestered was $20,340; there was no comparable expenditure in FY '85.

Radios (portable transceivers)—This line item included $15,159 for the purchase of 7 portable radio units for use by the Investigative Services Division. These radios were purchased for $457 less than projected, which was sequestered without adverse impact. In the FY '85 budget $50,000 was expended for comparable purposes.

Sedans—$87,500 had been budgeted to purchased 7 replacement cars. After purchasing the sedans, a surplus of $7,170 was sequestered without adverse impact. In FY '85, $64,300 was expended for comparable purchases.

Travel to Federal Law Enforcement Training Center (FLETC) for Criminal Investigators—$3,000 was budget for travel and per diem associated with attendance in the Criminal Investigator Training Program at FLETC in Glynco. Georgia. As a result of a recent agreement with FLETC, the Treasury Department will assume the travel cost (but not the per diem) for the remainder of FY '86. Therefore, $500 has been sequestered without adverse impact. In FY '85, $2,540 was expended for similar purposes.

FTS Telephone Service—This item originally provided $3,828 to pay the General Services Administration (GSA) for the cost of FTS telephone service. With the recent installation of new WATS lines which are charged to the Senate Sergeant at Arms, the service provided by GSA is being discontinued, with a resultant savings of $3,000 which can be sequestered without adverse effect. In FY '85, $367 was expended for this purpose.

Long Distance Telephone and Mobile Radio—This projection was $13,000 but the installation of WATS phone lines which are charged to the Senate Sergeant at Arms budget will cut this cost substantially. Only the House Division should still have need for regular use of commercial long distance service. Sequestration of $6,150 of the authorized amount should have no adverse effect.

Radio System Upkeep—This item provides for routine maintenance of the police radio network. At the time it was projected there was very little historical data upon which to base an estimate, but recent experience now indicates that this expense was overestimated. It appears reasonably certain that a sequestration of $10,200 (30% of original allocation of $34,000) should not adversely effect communications. FY '85 expenditures for comparable purposes were $23,420.

Scanners (Police Radio Receivers)—This item was for three additional scanners for the Training Section, Protective Services Bureau and Uniform Services Bureau to monitor police radio communications. Other scanners can be relocated as necessary from administrative offices, so all $750 budgeted for this item has been sequestered. There was no comparable line item in the FY '85 budget.

Vests, Bullet Resistant—This item included a total of $22,500 intended for the purchase of 150 bullet resistant vests to complete the outfitting of members of the Special Operations Unit (SOU) with this equipment. Fewer vests will be needed because we are projecting a reduction in the number of personnel assigned to SOU. Therefore, $9,000 has been sequestered, still allowing for the purchase of 90 vests and accomplishment of the original budgetary purpose. In FY '85, $15,900 was expended for similar purchases.

ANALYSIS OF OVERTIME SITUATION

Mr. CARVINO. Overtime in the first two quarters totals approximately $872,403, and projected overtime we estimate at $150,261, which would leave us with a deficit of $352,703 on the House side as of Feb. 23, 1986. This figure is somewhat higher on the Senate side. This figure does not include projections for overtime which are essentially beyond our control, such as, Joint Meetings, demonstrations, security details on Committee Hearings, personal security to Members and overtime needed to cover security mandated posts whenever the House is in session for more than eight hours and training among others. Money must be found to pay these real costs. Cutting more people to save money only complicates the problem, because when we are at the critical security coverage level overtime must be paid, people hired, or we will find ourselves seriously deficient in our ability to maintain security itself. I believe we are at this critical point at this time.

Mr. **Fazio**. How do you intend to deal with that?

Mr. **Carvino**. There only seems to be one of two ways to deal with it: either furloughs or RIFs. This also may further escalate the overtime problem.

EFFECTS OF POTENTIAL RETIREMENT CHANGES

Mr. **Fazio**. Do the retirements taking place now offer a solution?

Mr. **Carvino**. The estimated rate of attrition has already been subtracted but because there is no limit on age, we cannot accurately project how many people will retire.

We have taken a look at the past years and been able to come up with a guesstimate. These figures have already been taken into consideration. This represents a calculated figure after attrition.

Mr. **Fazio**. Given the potential impact of the annuity taxation in the tax bill, isn't it possible that the potential for changes in the retirement system, will induce or encourage some individuals to retirement?

Mr. **Carvino**. There is a concomitant problem that deals with the fact that people have accumulated compensatory time and vacation time, in the long run it would impact at some degree; but, in the short pull, to get through Gramm-Rudman this year, it would not help that much.

Mr. **Fazio**. Even if they chose to retire, they must use compensatory time, therefore you must pay even as they head off the roster?

Mr. **Carvino**. There would be some savings, but not enough to get us through.

Mr. **Fazio**. Perhaps it will help in the outyears.

Are there other questions for Mr. Russ or Chief Carvino?

DISCUSSION ON SAVINGS IF A MASS RETIREMENT OF POLICE OCCURS

Mr. **Myers**. A major part of 315 officers are going to retire, and they are on the higher pay schedule, it seems to me, of the remaining 1,800; that that would take care of the Gramm-Rudman requirement. I don't understand why it doesn't.

Mr. **Carvino**. The problem is, if they put their papers in today, we have been working people—to cover costs and keep things down—we have been working people sometimes a six-day week. There is a large accumulation of compensatory time on the books. They could put their papers in today and their compensatory time could carry them two, three, four months down the road.

There would be some savings, but not enough, I don't believe. And we can't really gauge how many of these people are going to retire and when.

Mr. **Russ**. We don't know yet.

Mr. **Myers**. The fiscal year doesn't start until October 1. If it went six months down the road, they would be out by October 1.

Mr. **Carvino.** What we did in the amount we calculated, that calculates the projected rate of attrition through February 1986. That does include some of these people who are on terminal leave. However, we are not sure just how many others will go. Our estimate has already taken that into consideration.

TRAFFIC CONGESTION AT CANAL AND SECOND STREETS, S.W.

Mr. **Myers.** A general question: Down on the corner of Canal and Second, the southwest corner, that is the worst place in the morning, especially today.

Can't there be a study why traffic can't be redirected? This morning I had a meeting at 8 o'clock. I didn't get there until 8:30 because they were lined up to the 14th Street Bridge.

Any consideration given to making Second Street one-way going east from early in the morning?

Mr. **Russ.** We had a traffic engineer in. There was nothing they could do about it.

Mr. **Myers.** It wouldn't take a traffic engineer to make it go one-way. Your congestion, 10 cars—there were 10 cars coming off Second Street going west. They were lined up clear to the 14th Street Bridge wanting to go east. I was about three cars in the left lane going into whatever street goes along the west side of the Rayburn Building. Everybody wanted to go up Second Street.

If you made it one-way up to the Rayburn entrance, you would get people in two lanes there. It looks as though it would be faster.

Mr. **Trollinger.** This morning, there was an accident with an injury where you came off of the freeway. I heard that on the police radio when I was coming in. Traffic was held up. We had to get an ambulance in. We had difficulty getting it there to get the injured party and carry him away.

Mr. **Myers.** From 8:00 to 9:00 every morning it is a problem there. The congestion looks to me like something ought to be done to it to bring traffic off of I-395 faster by letting the left-hand lane go on east. You would get more traffic coming off 395.

Mr. **Carvino.** Part of the problem is the way the tunnels were structured. There was a time a year or so ago when I came out here—I drive that way every day. There were Metropolitan Police pulling traffic. Now they don't have them. We have our people pulling traffic as quickly as we can.

As far as changing the streets, that is usually—a traffic engineer makes that decision based on volume, hours of the day. They have not recommended any change on the traffic pattern.

Mr. **Myers.** Whom do we talk to?

Mr. **Carvino.** The District of Columbia.

Mr. **Fazio.** Stay around for the D.C. appropriation hearings.

Mr. **Myers.** I used to be on that subcommittee.

SUPPLIES AND MATERIAL ACCOUNT—POLICE

Mr. **Porter.** Mr. Chairman, may I ask a question? This is a small question, Jack.

Under "Supplies and Materials" in your statement, it says substantial increases are expected in gasoline and oil costs. Why is that, since the prices are going the opposite direction?

Mr. RUSS. About what happened two years ago.

Mr. TROLLINGER. This was made up two years ago. At that time, that expense is what was projected.

Mr. PORTER. So, it is a projection based upon old information?

Mr. RUSS. Yes.

Mr. FAZIO. There will be a delay until the decrease in price is realized.

Mr. RUSS. The Architect bids for the gasoline.

CAPITOL GUIDE SERVICE

Mr. FAZIO. Let's hope he is holding off on the bids right now.

Any other questions?

I want to ask Jack about the Capitol Guide Service. I know that there were approvals for five additional Capitol Guides not yet given. As I remember the positions were assigned from the Senate Sergeant-at-Arms in 1983.

Has he been paying them since? Is that the situation?

Mr. RUSS. Yes.

Mr. FAZIO. Is there going to be a request for approval in that category?

Mr. RUSS. Yes.

Mr. FAZIO. It is time to pick up our share.

Mr. RUSS. It is time for us to take care of our fair share. You will be getting a letter.

OTHER AREAS AFFECTED BY DEFICIT REDUCTION ACT

Mr. FAZIO. Chief, you were commenting on the Gramm-Rudman effects on personnel costs. Will you comment on any other savings efforts required in your budget, for instance, in the operations of your cars?

Mr. CARVINO. We did engage in the manpower resource allocation study which we had started to do before we realized there was a Gramm-Rudman. That was basically to get a bottom line on the cost of services and prioritized services in descending order. We have completed that. With this, we hope to be able to control the overtime portion of the budget.

This might result in some reduction in services for certain parts. So, there has been a lot of work done in that area.

One of the problems that we have is that for a number of years there has not been any real managerial supervisory training. That is why we have increased costs in that area, to do things like providing an opportunity for some of our people to go to fleet management schools to gain better control over costs associated with the operation of our fleet, and all the way through: development of budget, development of management systems and designs, computer service applications. All of those things are being worked on now.

As we get more into it, I think we should be able to see some cuts in that area.

JUSTIFICATION OF CAPITOL POLICE BUDGET INCREASE

Mr. **Fazio**. There is an increase in the 1987 budget of 62 percent in police expenses. I agree it is a small amount, $2.1 million; but it is a significant increase. The increase doesn't relate to Gramm-Rudman reductions, but only to the general budget request.

Mr. **Carvino**. The bulk of the increases come mainly in the area of transportation of persons, and the other account, the other services. It deals primarily with things like having a budget line for protective details, costs relating to recruiting and other required training.

I think Jack alluded we are getting more and more involved with protective details to Senators and Congressmen. There was no budget line before for that. We have $140,000 of that increase that deals with the FLETC money, which comes up to $204,000 for FLETC. This is the Federal Law Enforcement Training Center money that can be removed if the Treasury Department continues, as it has this year, to fund that for us.

Mr. **Fazio**. That was the thrust of my question to Mr. Russ earlier. I wanted to be sure they are continuing to provide funding.

Mr. **Carvino**. We had an unfortunate incident last year in that in some way funding for the FLETC was originally dropped out of the House budget with the understanding that it was to be included in the Treasury Department FY 1986 appropriation. We want to make certain it is included in the FY 1987 Treasury Department appropriation before we reduce our request.

QUESTIONS FOR THE RECORD

Mr. **Fazio**. I have questions for the record that I submit at this time.

[The questions and responses follow:]

Capitol Police General Expenses

Question. You are asking for $2.1 million for police expenses. That is an increase of +62%. You have significant increases in transportation (+$85 thousand); other services (+$218 thousand); supplies (+$235 thousand); and equipment (+$199 thousand). Chief, would you take those in turn and explain these increases.

Response. As you may know, our fiscal 1987 budget is the first we have formatted according to the Office of Management and Budget's "Object Class" accounts. As a result of our inexperience with OMB's system, a few items were inadvertently placed in the wrong object classes. Subsequently, we have made corrections which result in object class totals somewhat different from those provided to the Committee earlier. While object class totals differ, there is no change in the grand total from that previously submitted to the Committee. Hopefully, the table will clarify our object class totals. It indicates actual expenses in FY 1985, through the distribution among object classes in only approximate due to having to convert after-the-fact from our former accounting categories into the OMB object class categories. The table also reflects estimated expenses in FY 1986, and requested funding in FY 1987 and notes both the original and revised object class subtotals.

CAPITOL POLICE GENERAL EXPENSES

[In fiscal years]

Object class	Actual, 1985	Estimated, 1986	Requested, 1987
Transportation of persons:			
Original		$78,190	$163,500
Revised	$95,074	78,190	143,352

CAPITOL POLICE GENERAL EXPENSES—Continued

[In fiscal years]

Object class	Actual, 1985	Estimated, 1986	Requested, 1987
Rent, communications and utilities:			
Original		99,951	94,400
Revised	95,205	99,951	113,981
Other services:			
Original		207,335	425,800
Revised	161,054	207,335	428,828
Supplies and materials:			
Original		671,458	906,200
Revised	686,012	671,458	903,736
Capital assets—equipment:			
Original		279,066	478,200
Revised	389,489	279,066	478,203
Total	$1,426,834	$1,336,000	$2,068,100

Please note that the "revised" figures do not represent any increase in the *total* budget request, but merely reflect a redistribution of items among the various object classes.

The increases above fiscal 1986 budget levels result from the following items:

Transportation of Persons (+$65,162)—A line item of $20,000 has been added to provide for travel associated with the protection of Members of Congress. The frequent threats against individual Members coupled with growing concerns related to terrorism and anticipation of events requiring security coordination outside the metropolitan Washington area (e.g., the bicentennial of the Constitution in Philadelphia during FY 1987) have prompted inclusion of this item in preference to siphoning off funds from other accounts on an ad hoc basis. Most of the remaining increase results from an effort to correct past neglect of the need for management, supervisory and speciality training. $41,750 has been requested to fund travel and per diem related to professional and specialized training, seminars, conferences, etc. This type of personnel defelopment is crucial to improving the department's administration efficiency and effectiveness.

Rent, Communications and Utilities (+$14,030)—Two line items account for the increase in this object class. First, $5,000 has been added for maintenance of confidential electronic equipment acquired during the current fiscal year. Second, $9,000 has been included to provide for a LEXIS/NEXIS data system intended for legal research and to provide an intelligency resource.

Other Services (+$221,493)—Several new items have been requested in this object class, but over half the increase results from the $140,000 included to cover the cost of training recruit officers at the Federal Law Enforcement Training Center (FLETC). In fiscal 1986, the Treasury Department (of which FLETC is a Bureau) funded this training. If they do so again in FY 1987, this $140,000 can be deleted. It has been included only to provide for the contingency that Treasury does not receive appropriations enabling it to fund Capitol Police training at FLETC. A request for $30,000 has also been included to provide for recruit applicant testing, both written and psychological. This practice, almost universal in the law enforcement community, is intended to reduce waste, inefficiency, and possible liability resulting from hiring unqualified or unsuitable policy applicants. Another $15,000 is requested to cover expenses associated with application for professional accreditation by the Commission on Accreditation for Law Enforcement Agencies, Inc. Not only would such accreditation enhance the professional standing to the Capitol Police, but the process required for accreditation would provide a useful framework for improving management practices and skills. A request for $20,000 is intended to provide an Employee Assistance Program (EAP) designed to counsel and refer police officers who may be suffering from alcoholism, encountering financial difficulties, having family problems, suffering stress reactions, recovering from traumatics incidents, and so forth. Though an EAP is directed at humanitarian concerns, it can also result in higher productivity, improved morals, reduced sick leave, lower attrition, etc. Finally, funding requests for tuition and registration at training sessions, seminars and conferences have increased to a little over $48,000. This increase is the concomitant of the increase already reported in the "Transportation of Persons" object class. Again, this increase recognizes that, in the long term, more effective managers will lead to more efficient police operations, improve security, and enhanced services. Failure to address the need for mid-level and senior management training is false economy. In the broader view, continued neglect will prolong archaic management practices and deter the continued professional growth of the department and its personnel.

Supplies and Materials (+$232,278)—Intensified management emphasis on documentation, written reporting practices, and completed staff work has resulted in a need to increase by $15,000 the amount requested for office supplies. While this may appear to be a significant increase for paper, pens and pencils, it actually represents only about one dollar per month for each of the department's 1,227 authorized positions. The planned purchase of 77 "surveillance kits" accounts for almost $14,000 of this object class. These kits are designed to enable plainclothes officers to inconspicuously use portable police radios. At the time this budget submission was prepared, a $15,000 (20%) increase in the price of gasoline and oil was also anticipated. Clearly, however, the bulk of increases in this object class involve uniforms and accessories. In order to achieve greater uniformity, the purchase of leathergoods has been included for the first time. This item accounts for $41,000. In addition to the normal price increases in uniforms, provision has been made to improve the quality of certain items of apparel, particularly shirts. While this creates a short-term increase in cost while stock levels are purchased, in the long-term better quality uniforms should prove more durable. Additional information regarding the uniform is provided in response to another question which follows. Suffice it to say at this point that the cost of fully uniforming and equipping a single officer in fiscal 1987 will be about $1,180, an increase of $200 above the cost in 1985. This equates to an increase of about $160,000 in the total uniform and accessories account (excluding the leathergoods already mentioned).

Capital Assets—Equipment (+$199,137)—The FY 1987 request includes several new vehicles. As a part of the normal fleet replacement schedule, eight sedans are scheduled for replacement. This is one more than was replaced in FY 1986, accounting for $15,000 of the increase in this object class. The budget proposal also includes $13,500 to replace a van and $32,000 to replace an obsolete tow crane. Two additional vehicles (a step van and a station wagon) are included to provide an emergency mobile response capability for the Containment and Emergency Response Team (CERT). The total cost of these two vehicles is projected to be $37,000. Replacement of worn out and obsolete photographic equipment is projected to cost $9,000. Equipment for a new video recording studio to produce in-service training tapes has been included at a cost of $57,000. This capability is intended to permit cost-effective in-service training by minimizing the amount of time officers must be away from their duties to receive instruction. A proposed $22,000 system analyzer for use in radio maintenance would improve the ability to service portable radios, providing a faster turnaround time on repairs. An amount of $5,000 has been included to purchase a collator which will reduce the manhours now expended in collating newly printed General Orders, Special Orders, Memorandums to the Force, etc. Finally, the line items for portable radio transceivers has been increased by $17,500 above FY 1986 budget authority. The increase will permit replacement of 33 units no longer reliable or serviceable and the addition of 22 new units to improve the department's radio communications capabilities.

Question. Can we get a list of the components of the supplies items? Provide actual 1985 expenditures for those items, the current FY 1986 plan and the FY 1987 projection for each of these items.

Response. The information is provided as follows:

[In fiscal years]

Cost center	1985 actual	1986 estimate	1987 estimate
Former Speaker Cost	$13,300	$12,700	$83,700
Publications/Subscriptions	58,300	61,000	64,000
Official Expenses	511,400	617,700	606,200
Child Care Ctr (one time exp)	0	0	100,000
Member Travel	9,900	0	15,000
Staff Travel	89,800	92,000	97,000
News Service	4,900	5,000	6,000
Consultant expenses	198,500	218,000	236,000

[In fiscal years]

Cost center	1985 actual	1986 estimate	1987 estimate
Auto expenses	20,000	27,400	30,000
Physical exams	1,000	1,100	1,200
Laundry/Janitorial	43,900	55,000	57,000
Agency Contracts	1,400	7,600	7,900
Advertisements	1,500	3,200	3,500
Legal Services	14,800	101,600	200,000
Transportation expenses	14,700	15,800	16,700
Training expenses	1,900	3,100	3,200
Fed'l Tort Claims	2,300	8,200	10,000
U.S. Code	255,400	275,000	288,800
Parking Lot expenses	118,700	123,700	128,900
Calendars	661,400	662,500	689,200
Page School	25,000	31,400	20,700
Comp/Lieu of Salary	24,600	0	0
Total	2,072,700	2,322,000	2,665,000

CONCERN FOR MEMBERS SAFETY

Mr. MYERS. Is there increased demand for personal protection for Members?

Mr. CARVINO. Yes. It is something that they haven't paid, in my opinion, enough attention to. For example, we have again in New York, as we did I guess in 1976, the Tall Ships coming in. There will be a lot of people invited. This is a typical example.

The Police Commissioner of New York has been in touch with me, as has Nassau County and the New Jersey State Police. They were having a meeting to discuss what we are going to do in coordinating activities with them for the protection of Senators and Congressmen.

Mr. FAZIO. Are you talking about the Statue of Liberty dedication?

Mr. CARVINO. Yes.

There is another one in Philadelphia dealing with the birthday of the Constitution. We don't have a line in our budget to send people to Philadelphia for these meetings to make sure we have cooperation from the local authorities. In other words, I don't feel we should have an office in every State or major city, but I think it is important for us to have our people coordinate these activities to assure Members of Congress are getting adequate protection when they go in a group to a particular city.

Mr. MYERS. Following up on that, when a member of a city council, the Mayor of New York City, comes here, we have to provide protection. Why don't they provide the same protection for us up there?

Mr. RUSS. They provide the bulk of it. But there is still a need for coordination. We are not going to send 50 guys up there.

All the Senators, all the Members are supposed to attend a Joint Session of Congress in Philadelphia. I, for one, don't want to rely totally on another police department. I would like to protect our own.

Mr. **Carvino**. It is a matter of the number of threats we've received over the years. We should exchange intelligence information. If there is anything they are concerned about, they should be aware of it in order to provide the protection necessary for that individual.

Mr. **Fazio**. It seems to me the Philadelphia event is a unique, one-time event. We are so inextricably part of it, perhaps you can submit a supplemental request for that event.

Mr. **Russ**. It will be extensive.

Mr. **Fazio**. There will be a number of dignitaries at the Fourth of July activity. A large contingent of Members will be attending.

Mr. **Myers**. I need protection from the NRA right now. Can you help me out? I won't sign the discharge petition.

FURTHER DISCUSSION OF POLICE BUDGET

Mr. **Fazio**. Jack, you mentioned funerals and other ceremonial occasions when law enforcement is required.

Is funding for special occasions included in a separate budget category?

Mr. **Russ**. No. That comes right out of the police budget.

Mr. **Fazio**. It might be helpful to include it in the budget—historically there are so many kinds of activities throughout a given year.

Mr. **Russ**. That could be done. You have to understand it would be projecting unforeseen events.

Mr. **Fazio**. We are aware of two functions this year. Obviously, the police protection which we provide on these occasions is variable.

Mr. **Russ**. A lot of this has been brought on by television in the House. We had a situation the other day where a man went berserk; walked into a Member's office in his district and held the district manager at knife-point, and our hostage rescue team out of my office negotiated the entire situation.

Mr. **Fazio**. Can the Federal Protective Service handle that?

Mr. **Russ**. Can?

Mr. **Fazio**. Will they provide protective service?

Mr. **Russ**. No.

Mr. **Fazio**. There are Federal Protective Service in all Federal buildings?

Mr. **Russ**. Not all offices are in Federal buildings.

Mr. **Fazio**. How is a problem like that handled in Omaha, Nebraska?

Mr. **Russ**. It is impossible.

Mr. **Fazio**. Will you clarify that?

Mr. **Russ**. My point is, relating back to the hostage situation, because of the exposure a Member received on television and this Member's vote on an issue that the man saw on television, he became so outraged he went into the district office. Our hostage rescue team negotiated the situation by phone out of my office here. That is what we are seeing. Because of television, the notoriety Members are getting, there are a lot more threats.

Mr. **Fazio**. I am sensitive to the need to protect the Members. On the other hand, we can't move large contingents of police personnel to other cities to take care of responsibilities that are provided by local jurisdictions.

Mr. Russ. Other departments have been more than helpful: the Secret Service, the FBI, even small organizations.

Mr. Fazio. I see the need for coordination.

Mr. Russ. That is what we use our police department for. We coordinate the activities with the locals. They have been terrific.

PLANS FOR THE EAST PLAZA

Mr. Fazio. Have you been presented with the proposals for the East Plaza? They can not be totally removed from the issue of security improvements.

This committee will be asked by the Architect's Office to fund improvements on the East Front. The Members will want to know that the law enforcement personnel have reviewed the plans and approved them.

Have you reviewed them?

Mr. Russ. Yes.

Mr. Fazio. Has the Chief and others including the Capitol Police Board approved them?

Mr. Russ. Yes.

Mr. Fazio. They will have been reviewed from a security perspective when they are presented to us?

Mr. Russ. Yes.

Mr. Fazio. Let me place some questions in the record.

[The questions and responses follow:]

Security Improvements

Question. We have asked for an overview of your plans for security in the Capitol complex. Before you proceed with any significant improvements, I think you have to inform the Committee. When can we expect a briefing on this subject?

Response. The Capitol Police Board has submitted the comprehensive security improvement plan to the leadership committee, comprised of the House and Senate majority and minority whips, for consideration. As soon as the leadership completes its consideration and the Capitol Police Board makes any required changes, I will brief the Legislative Appropriations Subcommittee in great detail.

Question. We approved funds for the hydraulic barriers and some retractable posts to be installed in the East Plaza. The Architect has presented the detailed plans to us for approval. Has the Capitol Police Board approved those specific plans?

Response. Yes, the Capitol Police Board has approved these plans.

Question. Will you be able to remove the garbage trucks and other vehicles blocking the entrances when these barriers are installed? Including those at the foot of the Capitol at the 1st street N.W. entrance?

Response. Yes, all vehicles will be removed once the barriers are installed.

CLOSING REMARKS TO SERGEANT AT ARMS

Mr. Fazio. Ed Lombard indicates that there have been changes made on the east front security proposals in the few last days. I hope everyone is up to date.

Mr. Russ. If it has been changed today, I don't know about it.

Mr. Fazio. We received the new plans yesterday. You may want to follow up on that.

Thank you very much. We look forward to the security briefing that the Members are interested in.

As I indicated, I encourage you to combine the salary reform and security proposals.

We will be receiving a briefing from the Architect, you might want to attend that.

Mr. Fazio. Mrs. Boggs has submitted some questions for the record.

[The questions and responses follow:]

Question Submitted by Mrs. Boggs

Question. The Sergeant at Arms budget indicated that funds for maintenance and upgrading of uniforms is coming from the sub-account "other services". How do these funds differ from the funds used for uniforms and accessories in the "supplies and materials" sub-account?

Response. The "Supplies and Materials" object class includes $331,500 for the purchase of uniform clothing (items such as blouses, trousers, shirts, caps, raincoats, jackets, neckties, sweaters, scarves, etc.) and $151,900 for purchase of uniform accessories (items such as safety boots, helmet liners, badges, shoulder patches, holsters, leathergoods, handcuffs, cap covers, etc.). The total projected for uniform purchases in FY '87 amounts to less than $400 per officer. The "Other Services" object class includes $44,600 for laundry and dry cleaning, tailoring and alterations, and badge repair and replating. This works out to approximately $36 per officer.

Question. The uniforms for the police unit stationed on the Capitol Plaza are different from the uniforms of other police personnel. Why was this change made? Are there plans to change the other uniforms? What is the budgetary impact of these changes?

Response. The Capitol Police Board decided to upgrade the police uniforms in the interests of economy and to enhance the professional image and improve the morale of the officers. The new uniforms are of better quality than the old ones and will therefore be more durable. In the long term replacement due to "fair wear and tear" should be less frequent and economies should be realized. The change in style was made because the old uniform was similar to that used by many private security firms and gave the Capitol Police an unprofessional image.

The new uniforms are being phased in over a two year period to reduce the fiscal impact. Currently the First Responder Unit (stationed on the Capitol Plaza and highly visible) and the Patrol Division have been issued the new uniforms, and we are in the process of issuing them to the Capitol Division. Issuance to the House and Senate Divisions and to the various administrative offices will likely be deferred until FY '87 to reduce the fiscal impact. A complete issue of the better quality uniform is about $200 more than the uniform issued in FY '85 (20% increase), but few officers receive a full uniform issue in a given year so the actual cost per officer amounts to an increase of $164.

The cost of a complete issue of the new uniform is $1,180. It is important to note that the Capitol Police spend less for a complete uniform issue than the surrounding police departments. The D.C. Metropolitan Police spend $1,550 for a complete uniform issue; the Secret Service's Uniform Division spends $1,830; and the United States Park Police spend over $2,640.

COMPARISON OF COST TO EQUIP AN OFFICER

Quantity and article	Cost to equip Sept. 30, 1985	Est. cost for fiscal year 1987
6 rds. Ammo	$.28	$1.68
1 Badge Set	23.20	36.00
1 Baton	4.50	5.00
1 Blackjack	6.30	
2 Blouse, @ 121 50	243.00	@ 118.00 236.00
1 Boots, Rubber	11.85	11.20
1 Cap, Pvt	10.95	15.00
1 Cap, Trooper	8.50	9.00
1 Cmd. Jkt	73.50	84.00
1 D. C. Code	5.30	5.30
1 Flashlight & Cone	5.06	9.95
1 Handcuff Case	5.75	5.75
1 Handcuff	15.50	15.50
1 4: Holster	17.50	20.25

COMPARISON OF COST TO EQUIP AN OFFICER—Continued

Quantity and article	Cost to equip Sept. 30, 1985	Est. cost for fiscal year 1987
1 ID Card	5.00	5.00
3 Manuals, @ 5.00	15.00	@ 5.00 15.00
3 Name Plates, @ .50	1.50	@ 4.25 12.75
2 Neckties, @ 1.47	2.94	@ 2.08 4.16
1 Notebook, Police	2.85	2.85
30 Patches, @ 1.14	34.20	@1.65 49.50
1 Raincoat	45.00	54.00
1 Revolver	158.90	183.25
1 Scarf	5.00	6.00
5 Shirts, L/S, @ 10.48	52.40	@ 18.75 93.75
5 Shirts, S/S, @ 7.36	36.80	@ 17.50 87.50
1 Sweater	14.90	18.15
3 Trousers, Summer, @ 25.80	77.40	@ 29.50 88.50
3 Trousers, Winter, @ 23.49	70.47	@ 27.49 82.47
1 Vis. Cap Cover	4.75	4.75
1 Vis. Jkt	15.76	15.76
1 "O" Ring	.20	.20
1 Whistle	1.20	1.50
Total	975.46	1179.72
Estimated Costs:		
Fiscal year 1987		1179.72
Fiscal year 1985		975.46
Increase		204.26

Note: The $204.26 is the difference between equiping a new recruit with an old uniform versus a new uniform.

OFFICE OF THE DOORKEEPER

Mr. **Fazio**. Ben, will you present the next matter?

Mr. **Guthrie**. Thank you, Mr. Chairman.

For the Office of the Doorkeeper, for salaries, including overtime, for the Publications Distribution Service, $7,064,000.

I would like to insert the table into the record relating to the Office of the Doorkeeper and the Page School.

[The table follows:]

DOORKEEPER—APPROPRIATIONS, ACTUAL EXPENDITURES, UNEXPENDED BALANCES

	Fiscal years—		
	1985	1986	1987
Total Appropriations	$6,820,000	$6,678,000	$7,064,000
Expenditures	6,703,438	1,694,722	0
Unexpended Balances	116,562	4,983,278	7,064,000

The FY '87 estimate submitted by the Principal of the House Page School, Dr. Robert Knautz, will be distributed as follows:

Compensation	$246,976
Instructional Supplies	4,550
Equipment	3,500
Textbooks	2,750
Library Books	700
Transportation	18,700

Subscriptions	550
Pupil Personnel Services	1,000
Dues/Fees	1,550
Extra Curriculars	5,650
Training	2,000
Miscellaneous	1,000
Total	288,926

BRIEF STATEMENT OF DOORKEEPER

Mr. GUTHRIE. The Honorable James T. Molloy is here to testify on the day-to-day operations of the House Page School as well as the Doorkeeper's immediate office.

Mr. FAZIO. Mr. Molloy, welcome.

Mr. MOLLOY. My Administrative Assistant, Ann Thornburg, Patrick McDonough, the Assistant Chief, along with the Chief of Publications Distribution, George Early are joining me. I also have people from the school, if there are questions.

Mr. FAZIO. Welcome.

Mr. MOLLOY. If the Chair would allow me to take it in two sections, the office itself and the Page program separately.

Mr. FAZIO. Proceed.

Mr. MOLLOY. I have a short statement, Mr. Chairman, if I might put it in the record.

It is a privilege to once again appear before this committee to discuss the budget request for the Office of the Doorkeeper. I oversee a department consisting of 372 employees who are here solely to provide services to the Members of Congress and their constituencies. In compliance with the House Administration's directives to cut spending, I have reduced my budget for fiscal year 1986. No vacant position will be filled without the consent of the Speaker. I am submitting a summary of each department's activities of last year and will be happy to answer any questions.

SUMMARY OF 1985 DEPARTMENTAL ACTIVITIES UNDER DOORKEEPER

I will address three major areas: Publications Distribution Service, or PDS, for the sake of brevity; the Page program; and the Office of Photography. There were no major changes in the operation of the Cloakrooms or the Doormen.

In compliance with the Speaker's order to enforce Rule 32 of the House, we have reassigned an employee to check the names of committee staff who exchange their ID cards for a staff badge before they enter the House Chamber. This will limit the number of committee staff on the Floor during debate.

The House Document Room continues to provide Members' offices and the general public with legislative materials. In addition to regular office hours, staff may request documents 24 hours a day by telephone.

PUBLICATIONS DISTRIBUTION SERVICE

The Publications Distribution Service expects to reach a production figure close to 860 million this election year in the processing of newsletters, town notices and other materials distributed to constituencies in 1986. Total production for 1985, a non-election year, was 761,006,494 pieces. This is an increase of 58,358,797 over the last non-election year, 1983.

PDS services provided to the Members of Congress include: folding, inserting, weighing or counting of newsletters for mailing, collating material, wrapping and packaging of items, delivery to and pick-up of material from congressional offices; a heavy-duty cutting machine; storage of documents for distribution as needed by Members, i.e., Agriculture Yearbooks.

PROGRESS OF HOUSE PAGE SCHOOL

The House Page School is in its third year of operation and continues to expand its services to the students. Presently, there are 63 House Pages out of a maximum of 66 positions.

In response to your past concerns, a fitness program has been developed for the students at the Humphrey Building Fitness Center. We were fortunate to find a Washington Seminar teacher with a guidance and counseling background. Evening group discussions are led by the counselor to serve both as mutual support groups and as a means of identifying individual and group problems and concerns. Additionally, a member of the school staff is maintaining volunteer computer literacy instruction and opens the photography lab regularly.

An accreditation team on behalf of the Middle States Association of Colleges and Schools visited the school during December. Although an official report has not been received, preliminary reports have been excellent.

The Page School continues to utilize the resources of the area to enhance the Page experience in its Washington Seminar course. In order to cut our expenses we will reduce out-of-town trips and focus on local points of interest.

Because of the budget cuts, House Administration has informed the Doorkeeper's office that 20 temporary page positions traditionally created for the summer will not be created for 1986. Under consideration is eliminating page service for the summer following the spring term, which ends June 15. Also under consideration is cutting the number of page positions filled during the 1986-1987 school year.

OFFICE OF PHOTOGRAPHY

The other area is the Office of Photography. The Office of Photography handled 19,844 individual appointments last year. From those they generated reimbursements to the Treasury in the amount of $67,648. Supplies used in 1985 totaled $67,172. Color processing equipment is currently being installed. This additional service will be available to Members in the near future.

At this time, Mr. Chairman, I would be happy to answer any questions that yourself and members of the committee might have.

Mr. FAZIO. We would like to discuss several topics.

DISCUSSION ON PUBLICATIONS DISTRIBUTION SERVICE

I know you have staffing limitations in the Publications Distribution Service. The impact of Gramm-Rudman has made it even more difficult to handle.

You have consulted with the House Administration Committee on this matter.

How are you handling these burdens? What can we do to help?

Mr. MOLLOY. This is a real crisis area, Mr. Chairman. There are a lot of people that I do not think realize the problem.

First of all, we were not structured for this because of Gramm-Rudman. We peak and valley over there. You can call it what you want—a good year, a bad year, an election year, or not an election year. The reality is it is an election year.

This is, obviously, not as glamorous as the Police Department. It maintains an important line of communication between Members and their constituents.

We have been working with House Administration. At this particular time, we have about a backlog of 3½ million pieces of mail over there. We process about 1.2 million per day. We have in the past, in an election year, gone to a second shift. We have added as high as 50 employees.

PEAK PERIOD FOR PDS AND ASSOCIATED CONCERNS

Mr. FAZIO. What kind of time period are we talking about?

Mr. MOLLOY. April 1st until September 30.

Mr. FAZIO. Do you have a peak period?

Mr. MOLLOY. No question. This has been mandated ahead of time. Congressional primary dates, which we have no control over, which are set by the States—Congress has no control over them. Right now we are by one primary—only one of a possible 64 primaries and runoffs. That leaves us with 63 to contend with. There is also the possibility of runoffs in various States.

We were informed today by House Administration that we have exhausted our overtime. We have completed only one out of 64 primaries.

House Administration is cooperating with us. But, again, the numbers are here. They are allowing us to make some transfers internally but this is not the answer.

LABOR POOL TO ASSIST IN PROCESSING THE MAIL

There has been some discussion of a labor pool, which is difficult. It is not a case of sending somebody over for one or two days. We need someone for 100 days. We use sensitive machines and employees must have training.

In the past, with the cooperation of this committee and House Administration, I tell you—and the figures will bear me out—we have gone from approximately 135 employees up to 150 employees. We have always run a bare-bones operation. Each additional employee might be an additional problem. Management style is to keep the lowest number of employees you can around there. These are the lowest paid employees in the House.

POTENTIAL BACKLOG IN PROCESSING MEMBERS' MAIL

Mr. Fazio. That is theory X management, as I remember from my industrial psychology book.

Mr. Molloy. We have the lowest paid employees. What we have done in the past is peak up for this period of time.

Now I have been informed we cannot do that. What will happen is this mail, as it grows, using charts for the various election years, will reach somewhere in the neighborhood of a 40 to 42 million backlog. Using this figure of 1.2 million a day, we will not be able to get out the mail until after the primaries.

The Committee on Franking says once it is in the office, we can process and handle it. There is a 62-day cutoff period, prior to a primary and a general election.

It is a real crisis area that there is no answer at the present time.

Mr. Traxler. Mr. Chairman, may I ask a question?

Mr. Fazio. I would be happy to hear from my friend from Michigan.

Mr. Traxler. I have been especially quiet today in deference to the wonderful job you are doing.

Are you saying some of that mail may not be delivered within that 60-day period?

Mr. Molloy. No question, at this particular time. The reality is, there is no question.

Mr. Traxler. If you publish that, I am sure it would reduce mailing.

Mr. Molloy. If we cut the mailing, it is not going to change the program. Some of the solutions are the labor pool. I say it might not work because of the sophisticated machines.

If you cut the Members' mailings, which there is talk about doing, even if they have the one mailing—and, obviously, they will have a mailing—history shows us 90 percent of the Members' mail is between now and their general election.

I don't say this is a political problem. It is a logistics problem.

Mr. Myers. Why don't we take a box of it down to the central Post Office? Would they process it?

Mr. Molloy. Certainly. You are talking about 42 million pieces of mail. That is a lot of boxes. There will be 42 million backlog.

Mr. Myers. Forty-one million if I don't mail anything.

Mr. Molloy. It would also take manpower to transport 42 million pieces of mail to the central Post Office. We have no control over what happens to it there.

Mr. Myers. I am not sure you have control over what happens to it here.

Mr. Molloy. They are very good employees. They work hard over there. As a matter of fact, recently some of these people worked 7 days a week. That presents all kinds of problems—personal life. It is mandatory to take the overtime over there.

Mr. Myers. If you want to do that, you might as well run for Congress.

Mr. Fazio. We have some questions to put in the record at this point.

[The questions and responses follow:]

OFFICE OF THE DOORKEEPER

Question. We know GRH has had an impact on your operation. How much was sequestered? What effect will it have on your operation?

For the record, indicate the specific expenditures that you will reduce as a result of GRH with a comparison to the originally approved budget. Also, indicate actual fiscal 1985 expenditures for those items.

Response. The FY '86 budget for the Office of the Doorkeeper, $6,678,000, was sequestered in the amount of $287,154.

The 372 employees within the Office of the Doorkeeper provide services to the Members of Congress who service their constituencies. Cuts in staffing will result in diminished services to the Members. It is my hope that by attrition and unauthorized leave a large portion of my 4.3% can be realized. Unauthorized leave for the Publications Distribution Service in 1985 resulted in a savings of $55,229. I currently have 21 vacant positions on my payroll which will not be filled, except in emergency situations. With the approval of the Committee on House Administration, I am suggesting that merit and longevity pay increases be discontinued within this department. In 1985 the average salary for an employee within this department was $17,780 only as a last resort, would I consider placing my employees on "furlough".

There are ways in which my budget can be reduced without eliminating full-time employees. With the approval of House Administration, I am proposing that we eliminate the entire summer page program from June 15 until after the Labor Day recess. By not filling these 66 positions I can realize a savings of $96,020. In fiscal year 1985 $118,089 was spent on summer page service. The suspension of Page service would be for 2 weeks in June, all of July and the first week in August that the House would be in session. Essential cloakroom and floor services could be provided by the Doormen, transferring the 6 Page Residence Hall Proctors to these positions as well as using employees from the Document Room and my immediate office. This could not be a permanent replacement for the Page service, but could only be considered for this period of five weeks when the House will be in session.

Secondly, consideration should be given to removing the two House Barber Shops from my budget for a savings of $162,766 to this department. The Barber Shops could be placed into a revolving fund with the House Beauty Shops. In fiscal year 1985, $164,416,was spent on salaries for these 9 employees.

Eliminating the summer pages and removing the Barber Shops from my budget would result in a savings of $258,786. The additional $28,367 would be saved by unauthorized leave and attrition.

Question. On your payroll, you have doorkeepers, document room personnel, pages and page school staff. For the record, provide a breakdown and salary costs of each component. Also, provide the comparable end of January figures for the past two fiscal years.

Response.

Office of the Doorkeeper end of January salaries; Fiscal years 1984, 1985, and 1986

1984:	
Doormen (46 positions)	$762,642
Document room (28 positions)	542,846
Pages (74 positions) [1]	727,952
Page school staff (11 positions)	256,029
1985:	
Doormen (46 positions)	808,556
Document room (28 positions)	579,077
Pages (74 positions) [1]	786,806
Page school staff (11 positions)	299,277
1986:	
Doormen (46 positions)	819,843
Document room (28 positions)	580,518
Pages (74 positions) [1]	786,093
Page school staff (11 positions)	302,960

[1] Office of Chief Page includes the Majority and Minority Page Supervisors and the 6 residence hall proctors.

ARCHITECT'S VAN FOR PAGE SCHOOL ACTIVITIES

Mr. FAZIO. I would like to discuss the Page program. I know Dr. Knautz is here.

We put some language in the bill last year to give the Architect the proper authority for transporting the pages to extracurricular events.

Has the van situation been squared away?

Mr. **Molloy**. Yes. In the past, as you are aware there seemed to be a lack of cooperation there. Through the efforts of this Committee that problem has been resolved. I know of two or three requests that they have acquiesced in our wishes. That does not present a problem at this time.

Mr. **Fazio**. He has the proper authority?

Mr. **Molloy**. Yes, the legislation provided the authority.

SUMMER PAGE PROGRAM

Mr. **Traxler**. Mr. Chairman, a question on the temporary summer Pages.

Would you tell us, is that program go or no-go?

Mr. **Molloy**. The authorization coming from House Administration, the appropriation from this committee—the authorization has been cut off, we have been informed, by House Administration. They will not do it.

Mr. **Traxler**. Do I understand there will be no summer Pages?

Mr. **Molloy**. That is my understanding at this time.

Mr. **Myers**. Additional?

Mr. **Molloy**. Additional.

The regular Pages will wind up here on June 14 or 15. That should terminate the page program.

By the way, somebody should be aware—as Members, you should know this will impact your office.

Going back one step, if I may, back to the Publications Distribution, some of the internal things will be the delivery service, which will cease and desist. It could die and never come back.

The resistance will be there, too. We have set up a series of things to try to compensate for this. There is no practical way that the numbers will come out.

Mr. **Fazio**. Therefore, we will continue with the same number of Pages, and maybe some replacements Pages through the 14th of June. However, there will be no additional Pages and no Pages beyond the time we recess for August break.

Mr. **Molloy**. Right. We may cut back that number of Pages.

Mr. **Fazio**. The number is undecided at this point?

Mr. **Molloy**. Yes, sir.

Mr. **Myers**. From the 66?

Mr. **Molloy**. There is a possibility that House Administration will cut this. Again, I don't know the reality.

Mr. **Fazio**. We do require Pages for our operations. However, are you saying we may not have additional Pages during the summer?

Mr. **Molloy**. After June 14th or 15th, you won't have the Pages.

Mr. **Fazio**. There will be no pages at all?

Mr. **Molloy**. That's right.

Mr. **Myers**. Wait a minute.

Mr. **Fazio**. Given the work which is performed on the Floor by the Pages, it would be difficult without them.

Mr. **Molloy**. It is one of the areas we are proposing. One of the areas is this amount we have to sequester under this $287,000. This is an area we are looking at. I don't have an answer to it. That is one of the areas we are looking at.

Mr. **Fazio**. There are savings in the Page program, however you can't eliminate it entirely for the summer months.

Mr. **Molloy**. There will be slots there. These requests go to the Speaker. He signs off on them.

My understanding—and I can't speak for them—is that House Administration is going to do something similar to that.

Mr. **Fazio**. The Speaker indicated a desire to go along with the suggestion of Mr. Annunzio to eliminate the summer Page program. Upon closer inspection, however, I took that to mean we will not augment the normal number of Pages.

Mr. **Molloy**. That can be done, Mr. Chairman.

DISCUSSION ON REDUCTIONS IN FY 1986

Mr. **Fazio**. In order to keep a basic number of pages needed when we are in session.

Mr. **Molloy**. That would be a reality, a problem we have to address ourselves to.

Again, with due respect to the Clerk, who keeps our budget, and the remark was made divided fairly on each of the other officers—this is not happening, by the way. They are asking for a cut across the board of 4.3.

I am coming to you with two things. The one thing is, unless we do something—and I don't have an answer—to add to Publications Distribution—not cut, add—and also I am talking about cutting Pages. Obviously, there is some reaction here. I take my marching orders from this committee and House Administration that we should not do that.

The cuts have to be someplace in reality.

Mr. **Fazio**. We can make some cuts in the Page program. It is unrealistic to cut the entire program.

Mr. **Molloy**. I agree with what you are saying. Some support here will address itself to the additional problem. I am not looking to cut 4.3. I am looking to add for the next 120 days.

Mr. **Fazio**. Your flexibility has been restricted.

Mr. **Molloy**. Very much so.

Mr. **Fazio**. There is no immediate answer, but it is my intention to help you.

Mr. **Molloy**. Again, the cooperation of this committee has been outstanding.

ALTERNATIVES TO HIRING ADDITIONAL PERSONNEL

Mrs. **Boggs**. Mr. Chairman, Mr. Molloy, I wondered how the Republican and Democratic Cloakroom services are going to be operated without Pages?

Mr. **Molloy**. They probably could be reassigned. A final decision has not been made. There have been suggestions from House Administration. There have been suggestions from us. The Republican and Democratic Cloakrooms are small manpower-wise. We are talking about eight people.

The reality is, there have been suggestions by House Administration, which is not a mandate, that we use a labor pool. I am opposed to that. Some of these people would not function well on machines in PDS. There is a training period, for these sophisticated machines. A labor pool would not be able to handle it.

Mr. **Myers.** You don't save money if you use a labor pool?

Mr. **Molloy.** That is right. I have to go along with the House Administration request to evaluate the suggestions.

Mr. **Fazio.** Mr. Panetta was asked by the Chairman, Mr. Annunzio, to work on the creation of the labor pool idea. I realize there will be some untrained personnel. You certainly would not want to put them on any of these machines that could be malfunctioning.

There is a need for an extraordinary amount of flexibility on the part of staff from a wide variety of areas to assist in handling this burden.

Frankly, we are going to ask some of the Members to delay and defer their mailings. We do not have any alternative since we will not be able to find additional funding.

Mr. **Molloy.** I don't mean to be gloom and doom. I wanted you to be aware. There is the possibility of moving people from the document room over to Publications Distribution. There are areas where this can be done, but it is not the entire answer.

Mr. **Fazio.** Any other questions?

ELEVATOR OPERATORS

Mr. **Myers.** Who hires the elevator operators?

Mr. **Molloy.** The Architect.

Mr. **Myers.** We could do without the operators. They tried to do it before. I voted against it.

Mr. **Molloy.** They did cut quite a bit from that program.

Mr. **Fazio.** Are there other questions? Thank you very much, Mr. Molloy.

DISCUSSION ON MERGING HOUSE AND SENATE PAGE SCHOOLS

Mrs. **Boggs.** Has there been any consideration of merging the Senate and House schools?

Mr. **Molloy.** Yes. I deferred to the Chairman of this committee who wears another hat. We worked very hard on that and tried to acquiesce with whatever we could do with them.

There is a strong school of thought to try to do this. There happens to be an outgoing chairman in the Rules Committee, Senator Mathias, who is of that present mind. This particular chairman—and I defer to you—there has been great effort in that area.

Mr. **Fazio.** The entire Page Board is desirous of combining the Page schools. We are moving in that direction.

I gather that the Senate leadership staff is in agreement.

Mr. **Myers.** I think it will happen this fall.

Mr. **Fazio.** We are trying to work that out.

Mr. **Traxler.** Without going into the details, is it basically an issue of various ages?

Mr. **Fazio.** The fact that the Page school structure requires students to have B averages for admission, and to meet other criteria concerns certain Members in the Senate who use the Page program more than others.

We need to convince the other body that a consolidated Page school will provide better educational programs for the pages.

Mr. MYERS. It goes back to the commission we had several years ago to make recommendations for a change in the Page program when we ran into difficulty. We continuously invited the Senate to participate. They would never, as Members, participate, which is not any surprise. They would send an observer who would come in and never participate, just listen, and carry back tales. It all started from that basis.

They felt like they weren't included. They were given every opportunity. They refused to participate. That is the reason they still haven't come in. Their feelings were hurt.

Now, with Gramm-Rudman, they will be forced kicking and screaming into the program.

Mr. FAZIO. The new staff people who are working with us are very good.

Mr. MOLLOY. Mr. Chairman, thank you. Again, I would appreciate any support and help for this temporary problem, temporary crisis in Publications Distribution which should end around October of this year.

COST OF FUNDING TEMPORARY EMPLOYEES IN 1986

Mr. TRAXLER. Do we know how much money you are going to need to run a temporary program? Do we have those figures? Are they available to us? Are they part of the record?

Mr. FAZIO. Do you have the figures?

Mr. MOLLOY. If you are talking about 60 temporary employees, a monthly gross of $70,000, which would come to approximately $423,000 for that period of time.

Mr. TRAXLER. That is the traditional number you use?

Mr. MOLLOY. Yes. That number—by the way, on a scale, it goes up every year. It includes 60 temporary employees and overtime we could handle it.

Some of these primaries are clustered. It will peak and valley within the framework of that period of time. There is a period where we have 14 primaries. Then there is another period where you only have about four or five.

Mr. FAZIO. Thank you.

Let's go on to other officers.

Ann, say hello to your father, a dear friend and past member of our subcommittee.

Ms. THORNBERG. Thank you, Mr. Chairman, I will.

INTRODUCTION OF HOUSE POSTMASTER

Mr. GUTHRIE. For the Office of the Postmaster, for salaries including employment of substitute messengers and extra services of regular employees for the Office of the Postmaster, $2,227,000.

Robert Rota is here. I would like to include a table for the record.

[The table follows:]

POSTMASTER

[Appropriations, Actual Expenditures, Unexpended Balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$2,165,000	$2,075,000	$2,227,000
Expenditures	2,127,367	547,661	0
Unexpended balances	37,633	1,527,339	2,227,000

BRIEF STATEMENT OF THE POSTMASTER

Mr. FAZIO. We look forward to hearing from Mr. Rota and Mr. Boydston.

Mr. ROTA. Thank you, Mr. Chairman, members of the committee. I will be very brief.

If I may, I ask unanimous consent to include my prepared statement along with tables and charts for the record.

Mr. Chairman, members of the subcommittee, I am pleased to appear before you today in support of the appropriations for the Office of the Postmaster. The total appropriation for fiscal year 1987 is $2,349,000. This figure represents an increase of $363,225 over last year's revised appropriations of $1,985,775, to cover longevity, salary increases, along with 19 new positions approved by the Committee on House Administration, made effective May 11, 1985.

When the original fiscal year 1987 appropriation request was filed earlier this year, $122,000 in funds related to the additional 19 positions was inadvertently omitted. The original appropriation request for our office was $2,227,000, which has been amended to $2,349,000, to correct this mistake.

I would be more than happy to answer any questions.

[The statement of Mr. Rota follows:]

STATEMENT OF

ROBERT V. ROTA

OF THE

U. S. HOUSE OF REPRESENTATIVES

BEFORE THE

SUBCOMMITTEE ON LEGISLATIVE BRANCH APPROPRIATIONS

HOUSE COMMITTEE ON APPROPRIATIONS

FOR THE

FISCAL YEAR 1987 BUDGET

Mr. Chairman and Members of the Subcommittee, I am pleased to appear before you in support of appropriations for the Office of the Postmaster. The total appropriation requested for the Office of the Postmaster for Fiscal Year 1987 is $2,349,000. This figure represents an increase of $274,000 over last year's appropriations of $2,075,000 to cover longevity salary increases along with 19 new positions approved by the Committee on House Administration and made effective May 11, 1985.

When our original FY 1987 appropriation request was filed earlier this year, $122,000 in funds related to the the additional 19 positions was inadvertently omitted. The original appropriation request for $2,227,000 has thus been amended to $2,349,000 to correct this mistake.

DEVELOPMENTS IN 1985

Last year, incoming mail volume was up compared with Calendar Year 1984 -- 225 million items in 1985 as compared with 200 million in 1984.

The 1985 total continues to reflect a return to the traditional pattern of growth in mail volume experienced over

THE PAST DECADE. THE STEADY GROWTH OF INCOMING MAIL VOLUME OVER THE PAST THIRTEEN YEARS REFLECTS A NUMBER OF FACTORS; PARTICULARLY THE INCREASED ACTIVITY OF MEMBERS OF CONGRESS AND THE EXPANDED EFFORTS OF ORGANIZATIONS WHICH USE DIRECT MAIL CAMPAIGNS TO DEMONSTRATE PUBLIC INTEREST IN PARTICULAR ISSUES. ISSUES SUCH AS SOCIAL SECURITY, STEEL IMPORTS, IMMIGRATION REFORM AND ABORTION HAVE PRODUCED SUCH STRONG FEELINGS ACROSS THE COUNTRY THAT THE OFFICE OF THE POSTMASTER HAS RECEIVED NUMEROUS COMPUTER-GENERATED MAILINGS PERTAINING TO THESE ISSUES.

SINCE I WAS ELECTED AS YOUR POSTMASTER IN 1972, THE VOLUME OF INCOMING MAIL HAS INCREASED OVER FIVE-FOLD (FROM 40 MILLION TO 225 MILLION ITEMS PER YEAR), THE NUMBER OF BUILDINGS SERVED HAS INCREASED BY 50% (FROM FOUR TO SIX), THE NUMBER OF MAIL STOPS SERVED HAS GROWN BY 61% (FROM 630 TO 1,016), AND WE HAVE ADDED A TOTAL OF 17 NEW SERVICES.

HAD OUR EMPLOYMENT INCREASED IN THE SAME PROPORTION AS OUR WORKLOAD, WE WOULD TODAY REQUIRE THE SERVICES OF MORE THAN 400 MAIL HANDLERS RATHER THAN THE 93 WE HAVE TODAY.

CHANGING NATURE OF CONGRESSIONAL MAIL AND MAIL VOLUME STATISTICS

THE PAST THIRTEEN YEARS HAVE SEEN A SIGNIFICANT CHANGE IN THE NATURE AS WELL AS THE VOLUME OF INCOMING MAIL. IN 1972, MOST CONSTITUENT MAIL ARRIVED AS INDIVIDUAL CARDS AND LETTERS DELIVERED BY THE U. S. POSTAL SERVICE. MOST OF THE INCOMING MAIL TODAY ARRIVES IN BULK FROM ORGANIZATIONS WHICH DELIVER -- DIRECTLY TO THE OFFICE OF THE POSTMASTER -- CARTONS OFTEN CONTAINING HUNDREDS OF THOUSANDS OF CARDS AND LETTERS. MAILERS OF NEWSLETTERS AND NEWSPAPERS, WHO IN THE PAST DELIVERED INDIVIDUALLY ADDRESSED ITEMS TO THE OFFICE OF THE POSTMASTER FOR DISTRIBUTION TO CERTAIN MEMBERS, NOW DELIVER A SINGLE BOX OF SUCH ITEMS WITH THE REQUEST THAT WE DISTRIBUTE THEM TO ALL CONGRESSIONAL OFICES.

AS I HAVE NOTED IN THE PAST, THE CURRENT PRACTICE IS MORE EFFICIENT IN THE LONG RUN AS IT IS NO ADDED BURDEN ON US TO SORT AND DELIVER BULK MAIL -- WE MUST DO THIS IN ANY EVENT. AND FOR DISTRIBUTIONS GOING TO ALL MEMBERS, IT IS MUCH MORE EFFICIENT TO PLACE ONE COPY OF UNADDRESSED CORRESPONDENCE OR NEWSPAPERS IN EACH MEMBER'S BOX THAN IT IS

TO SORT 435 ADDRESSED ITEMS INTO EACH OF THE APPROPRIATE 435 BOXES.

THE ONE EFFECT THAT THESE CHANGES HAVE HAD, HOWEVER, IS TO MAKE U.S. POSTAL SERVICE MAIL VOLUME ESTIMATES MISLEADING. BECAUSE MOST MAIL NOW ARRIVES IN BULK -- SOME DELIVERED BY THE U.S. POSTAL SERVICE AND SOME BY THE UNITED PARCEL SERVICE AS WELL AS AIR, BUS, AND TRUCK LINES -- THE POSTAL SERVICE FIGURES ONLY SHOW ONE PART OF TOTAL INCOMING MAIL VOLUME. IN FACT, BECAUSE POSTAL SERVICE FIGURES REPORT A BOX OF 50,000 LETTERS AS A SINGLE PARCEL UNIT, THESE STATISTICS GROSSLY UNDERCOUNT EVEN THAT MAIL DELIVERED THROUGH THE FACILITIES OF THE POSTAL SERVICE.

OF COURSE, POSTAL SERVICE FIGURES DO NOT INCLUDE "DEAR COLLEAGUE" AND OTHER INSIDE MAIL OR MAIL HANDLED THROUGH OUR COURIER SERVICES TO THE WHITE HOUSE, SOCIAL SECURITY ADMINISTRATION, STATE DEPARTMENT, PASSPORT OFFICE, AND LIBRARY OF CONGRESS. NEITHER DO THE POSTAL SERVICE FIGURES REFLECT THE MULTITUDE OF GOVERNMENT PRINTING OFFICE ITEMS RANGING FROM CONGRESSIONAL RECORDS TO CALENDARS THAT ARE DELIVERED BY THE OFFICE OF THE POSTMASTER.

DESPITE THE FACT THAT POSTAL SERVICE FIGURES

REPRESENT ONLY A FRACTION OF THE MAIL HANDLED BY THE OFFICE OF THE POSTMASTER, THESE STATISTICS ARE INCLUDED IN THE TABLES AND CHARTS ATTACHED TO MY STATEMENT IN KEEPING WITH PAST PRACTICE. TO ATTEMPT A HARD COUNT OF ALL INCOMING MAIL WOULD DELAY DELIVERY AND ADD SUBSTANTIALLY TO OPERATING COSTS. USE OF POSTAL SERVICE FIGURES IS, THEREFORE, NECESSARY. BECAUSE OF THE CHANGED NATURE OF INCOMING MAIL, THE 225 MILLION FIGURE I GAVE YOU EARLIER IS THE TOTAL OF BOTH POSTAL SERVICE AND OTHER MAIL RECEIVED DURING CALENDAR YEAR 1985.

OFFICE OF THE POSTMASTER EMPLOYEES

THE OFFICE OF THE POSTMASTER HAS 128 PERMANENT EMPLOYEES. AS I HAVE INDICATED, 93 OF THESE ARE CLASSIFIED AS MAIL HANDLERS WHO SORT AND DELIVER THE MAIL, AS WELL AS THE CLERKS WHO STAFF OUR FIVE FULL-SERVICE STATIONS. IN ADDITION, WE EMPLOY EIGHT MAIL SECURITY SCANNERS WHO OPERATE THE SOPHISTICATED X-RAY AND RADIATION DETECTION EQUIPMENT THAT IS USED TO CHECK ALL INCOMING MAIL FOR EXPLOSIVE OR OTHERWISE DANGEROUS ARTICLES OR MATERIALS. OUR ADMINISTRATIVE STAFF CONSISTS OF 10 EMPLOYEES. TO COMPLY WITH BUDGET REQUIREMENTS, IT WILL BE NECESSARY TO HAVE 20 OF OUR EMPLOYEES ON FURLOUGH AT ALL TIMES DURING THE BALANCE OF

Fiscal Year 1986.

OFFICE OF THE POSTMASTER OPERATIONS

To process the mail received by the House of Representatives, we operate 22 hours a day. The first shift arrives at midnight to coincide with the first mail delivery from the U.S. Postal Service. Mail deliveries are received every hour on the hour. There are, of course, numerous additional deliveries each day from sources other than the Postal Service. The mail processing unit usually closes at 10:00 p.m., but remains in operation longer if necessary to process all mail on hand. Incoming mail is delivered to your offices within four hours of the time it arrives at the loading dock at the Longworth Building. A similar effort is made to expedite outgoing mail. Outgoing mail is collected from all floors and mail chutes seven times daily, Monday through Friday, and five times on Saturday. It is then dispatched to the U.S. Postal Service every hour on the hour from 2:00 a.m. to 10:00 p.m. during the week and from 4:00 a.m. to 7:00 p.m. on Saturday. Our full-service counters operate from 8:30 a.m. until 6:00 p.m. on weekdays and from 8:30 to 1:00 p.m. on Saturdays and Holidays.

SUMMARY OF ATTACHED TABLES

MR. CHAIRMAN, TO PROVIDE THE COMMITTEE WITH THE MAXIMUM AMOUNT OF DATA ABOUT OUR OPERATION, I HAVE ATTACHED TO MY STATEMENT FIVE ITEMS FOR YOUR REVIEW. ATTACHMENTS ONE, TWO REFLECT DETAILED POSTAL SERVICE FIGURES ON INCOMING MAIL FOR CALENDAR YEARS 1979 THROUGH 1985. ATTACHMENTS THREE, FOUR AND FIVE REPORT MONEY ORDERS, FEES, AND EXPRESS MAIL FOR CALENDAR YEARS 1979 THROUGH 1985.

HOUSE POST OFFICE STATIONS AND STAMP WINDOWS SOLD POSTAGE STAMPS TOTALLING $1,746,320.99 IN 1985. THIS FIGURE COMPARES WITH STAMP WINDOW SALES OF $1,771,654 IN 1984 AND $1,854,278 IN 1983.

CONCLUSION

MR. CHAIRMAN, AS ALWAYS, I AM GRATEFUL FOR THIS OPPORTUNITY TO APPEAR TODAY. I AM PROUD OF THE JOB THE OFFICE OF THE POSTMASTER IS DOING AND OF THE GREATLY IMPROVED PRODUCTIVITY THAT WE HAVE ACHIEVED SINCE 1972. WE WILL CONTINUE TO DO EVERYTHING POSSIBLE TO ENSURE THAT MEMBERS RECEIVE THE HIGHEST QUALITY MAIL SERVICE.

INCOMING LETTERS

PLEASE NOTE: The figures below, provided by the U.S. Postal Service, only reflect about 40% of total mail volume.

	1985	1984	1983	1982	1981	1980	1979
January	2,576,000	2,693,000	$2,957,000	$2,321,000	$2,532,000	$2,161,000	$1,912,000
February	3,893,000	3,545,500	3,526,500	2,231,500	2,788,500	2,395,500	1,879,000
March	3,541,000	3,966,000	3,716,500	3,376,000	3,723,000	3,116,500	2,559,500
April	4,737,000	3,955,500	2,616,000	3,532,500	3,994,000	2,952,000	2,759,500
May	4,572,500	4,955,000	2,990,000	3,023,000	5,902,000	2,752,500	2,590,000
June	3,335,500	2,722,000	2,960,500	2,821,000	3,581,000	2,592,500	2,484,000
July	3,870,000	3,580,500	2,822,500	2,969,000	3,971,000	2,386,000	2,187,000
August	2,998,000	2,909,000	2,448,500	2,704,000	2,997,500	2,141,000	2,051,000
September	3,446,500	4,059,000	2,961,000	2,712,500	2,787,500	2,626,000	2,042,000
October	3,471,000	3,095,000	3,346,500	2,325,000	2,879,500	2,208,000	2,367,500
November	3,052,500	2,803,500	2,626,500	2,000,500	2,779,000	1,625,000	2,583,500
December	2,772,000	2,082,500	3,409,000	2,469,500	2,140,000	2,455,000	2,093,000
TOTAL	42,265,000	40,366,500	36,380,500	32,485,500	40,075,000	29,411,000	27,508,000

INCOMING FLATS

PLEASE NOTE: The figures below, provided by the U.S. Postal Service only reflect about 40% of total mail volume.

	1985	1984	1983	1982	1981	1980	1979
January	1,046,610	1,093,300	911,470	990,350	1,354,780	1,116,500	1,105,190
February	1,113,600	1,176,240	973,820	933,510	1,334,480	1,347,050	1,020,510
March	1,258,020	1,135,930	1,138,250	941,050	1,489,630	1,261,500	1,225,540
April	1,184,360	1,197,700	1,047,190	1,314,280	1,494,510	1,055,890	1,278,610
May	1,236,560	1,113,000	1,100,550	1,368,510	2,298,620	1,315,440	1,194,510
June	1,173,340	1,243,230	1,088,370	1,033,850	1,942,750	950,910	1,224,960
July	1,066,040	1,143,180	1,102,580	1,041,680	1,921,670	968,600	1,162,610
August	1,056,180	1,090,980	1,097,360	1,025,150	1,331,580	1,014,710	1,136,510
September	1,139,990	1,124,910	981,650	972,080	1,243,760	1,141,440	1,122,590
October	1,089,240	1,061,690	1,103,160	940,470	1,018,480	928,870	760,090
November	1,015,000	912,340	1,041,390	865,940	1,142,600	1,146,950	1,047,480
December	1,133,030	934,090	1,389,680	864,780	1,264,400	1,016,450	1,156,230
TOTAL	13,511,970	13,227,190	12,975,470	12,291,650	17,837,260	13,264,310	13,434,830

NEWSPAPERS

	1985	1984	1983	1982	1981	1980	1979
January	42,075	18,925	34,775	29,300	25,300	26,950	29,100
February	40,325	20,375	28,100	28,075	28,825	49,325	49,925
March	44,125	24,500	29,950	31,475	30,675	27,300	30,975
April	44,725	19,625	28,425	32,075	31,250	29,025	30,500
May	41,825	21,225	49,900	45,375	30,250	30,075	31,750
June	48,975	19,475	26,425	46,650	27,525	28,375	30,650
July	25,850	21,250	48,150	45,350	28,500	25,075	28,875
August	49,925	27,125	26,850	26,675	25,450	25,350	28,075
September	46,600	21,125	45,325	46,775	29,950	27,175	25,700
October	45,875	22,900	46,450	25,150	28,350	28,475	45,375
November	45,275	22,025	40,475	25,200	28,900	48,800	31,350
December	42,150	19,450	48,800	27,625	28,550	25,925	34,750
Total	517,725	258,000	453,625	409,725	343,525	373,850	397,025

PLEASE NOTE: The figures above reflect only those newspapers received through the facilities of the U.S. Postal Service. This represents only a small fraction of the total number of such periodicals received from organizations and other sources which are delivered, in bulk, directly to the Office of the Postmaster.

PARCELS

PLEASE NOTE: The figures below, provided by the U.S. Postal Service, only reflect about 25% of actual parcels received.

	1985	1984	1983	1982	1981	1980	1979
January	356,200	408,200	211,000	390,200	362,800	300,600	310,200
February	365,000	434,000	397,200	283,000	362,600	297,200	261,400
March	381,000	436,800	212,400	387,000	489,800	326,600	477,600
April	286,600	428,000	212,000	303,200	387,800	294,800	328,200
May	300,000	465,600	219,200	393,800	486,800	288,600	335,600
June	283,200	406,400	397,400	297,000	435,600	306,200	310,600
July	382,000	375,000	218,800	256,400	487,000	293,000	331,800
August	325,600	428,600	360,400	363,000	361,200	287,600	306,200
September	383,800	383,400	388,000	371,400	383,800	293,400	299,200
October	378,800	401,200	209,800	222,200	384,600	316,400	238,400
November	382,400	209,800	381,000	315,600	270,000	256,000	476,800
December	391,000	215,000	401,000	593,200	438,000	449,800	302,800
TOTAL	4,215,600	4,592,000	3,608,200	4,176,000	4,850,000	3,710,200	3,978,800

INCOMING REGISTERED AND CERTIFIED MAIL

	1985	1984	1983	1982	1981	1980	1979
January	2,756	2,612	2,475	2,056	2,958	2,410	3,192
February	3,031	2,525	2,678	3,422	3,206	2,327	3,035
March	3,109	2,780	2,936	3,323	4,396	2,408	3,946
April	4,047	3,593	3,740	3,289	2,781	3,071	3,100
May	2,578	2,555	2,446	2,352	3,124	2,629	2,666
June	2,805	2,157	2,379	2,257	2,707	2,731	2,552
July	2,958	3,000	3,171	2,926	2,062	3,225	2,906
August	2,836	2,412	2,497	2,934	2,198	2,534	2,976
September	2,585	2,288	2,281	2,859	2,556	2,572	2,986
October	3,750	3,856	2,424	4,424	3,227	3,367	3,232
November	3,191	1,919	2,220	1,794	3,466	2,111	2,267
December	2,435	2,372	1,779	1,848	2,284	2,292	2,680
TOTAL	36,081	32,069	31,026	33,484	34,965	31,677	35,538

MONEY ORDERS AND FEES COLLECTED

Money Order Amounts

	1985	1984	1983	1982	1981	1980	1979
Station 2	$353,751.65	$249,347.14	$171,541.88	$182,170.17	$205,939.47	$192,796.60	$186,331.74
Station 21	136,623.42	73,276.45	90,792.52	61,902.19	62,952.40	49,357.19	39,386.04
Station 23	245,561.32	190,131.18	182,618.91	182,690.49	175,379.34	187,136.77	145,393.24
Station 24	144,764.71	104,929.40	100,638.49	111,009.16	104,393.25	73,315.25	82,631.50
Station 25	104,986.99	78,766.46	68,220.84	40,886.15	34,083.95	36,280.62	12,045.91
TOTAL	$696,450.63	$613,812.64	$578,658.16	$582,748.41	$538,886.43	$465,788.43	$790,867.37

Money Order Fees

	1985	1984	1983	1982	1981	1980	1979
Station 2	$3,319.29	$3,196.64	$2,504.85	$2,551.87	$2,665.26	$2,570.00	$2,301.70
Station 21	1,035.90	1,091.58	1,462.85	948.42	1,032.52	674.25	591.00
Station 23	2,193.80	2,290.50	2,182.80	2,070.25	2,074.25	1,984.15	1,781.30
Station 24	1,174.50	1,425.60	1,372.85	1,481.20	1,413.95	923.15	1,147.75
Station 25	1,184.65	1,116.96	1,071.65	760.80	587.15	467.57	130.25
TOTAL	$8,908.14	$9,121.28	$8,595.00	$7,812.54	$7,773.13	$6,619.12	$5,952.00

Station 2: Longworth P.O.; Station 21: Cannon P.O.; Station 23: Capitol P.O.; Station 24: Rayburn P.O.
Station 25: Annex #2 P.O. -- This Station did not commence full service operations until June 1979.

INCOMING EXPRESS MAIL

Month	1985	1984	1983	1982	1981	1980	1979
January	1,866	1,371	822	421	566	306	118
February	1,815	1,560	1,008	867	502	352	128
March	2,355	2,170	1,251	732	1,052	402	156
April	2,277	2,094	1,524	926	792	237	191
May	2,388	2,106	1,584	1,123	850	358	230
June	2,337	2,154	1,536	1,302	978	376	228
July	2,013	1,589	1,566	1,266	874	292	185
August	1,362	1,449	1,197	1,440	540	478	142
September	2,133	1,962	1,914	1,074	468	567	221
October	1,869	1,599	1,503	759	684	531	333
November	1,639	1,215	2,157	903	586	548	161
December	2,811	1,515	2,409	1,239	756	493	177
	24,865	20,784	18,471	12,052	8,648	4,940	2,270

DISCUSSION ON PERSONNEL

Mr. **Rota**. The jobs were funded shortly after the—we met with you.

Mr. **Fazio**. Were they created pending an appropriation? Until this committee provided the funding, were they authorized but not occupied?

Mr. **Rota**. They were authorized. We intended them to be in the supplemental for last year. Right at the present time, it has really caused a burden on us. Not having had them funded, along with the Gramm-Rudman cut of 4.3, we also have to furlough the 19 additional to make up the difference.

Being one of the lowest two months since I have been elected Postmaster, the receipt of mail having been so low, we have been trying to catch up to prepare for the real thrust of the mail that will hit us later on. Although, even with the furloughs that we have at the present time, we will not be able to get far enough ahead to absorb any of these 19.

Mr. **Fazio**. Initially these 19 people were temporary?

Mr. **Rota**. Yes, sir.

Mr. **Fazio**. They were funded in 1986?

Mr. **Rota**. Yes, sir.

Mr. **Fazio**. The positions were made permanent through House Administration's action through 1986?

Mr. **Rota**. Yes, sir.

Mr. **Fazio**. Were they fully funded in 1986?

Mr. **Rota**. They were not.

Mr. **Fazio**. The positions have been authorized and you are asking us to fund them in 1987?

Mr. **Rota**. Yes, sir.

Mr. **Fazio**. You are requesting this be included as an amendment to your budget submission?

Mr. **Rota**. Yes, sir.

Mr. **Fazio**. We will take it under consideration. We certainly understand the burdens under which you operate and appreciate your presence today.

Mr. **Rota**. Thank you, sir.

INCOMING MAIL

Mr. **Traxler**. May I ask a question?

Bob, I am looking at your developments in 1985. You say the incoming mail volume was up compared with calendar year 1984. You had 225 million items in 1985 compared to 200 million in 1984.

Do you have any projections for 1986? What do you think your incoming volume will be for 1986? Is an election year more?

Mr. **Rota**. 1986 normally would be greater.

Mr. **Traxler**. Incoming?

Mr. **Rota**. Yes.

I cannot explain why the mail is so light at the present time. It is lighter than it has been in years.

Mr. **Myers**. People have just given up.

Mr. **Fazio**. We did have a very heavy year last year. It may be the lull before the storm.

Mr. **Rota**. We have had a lot of mass mailings that increase the volume tremendously—the Jimmy Roosevelt letter, the Steel Caucus letter, other ones that generated millions of pieces in a short time.

Mr. **Myers**. Now we have the NRA.

Mr. **Rota**. They have a continuous mailing.

POSSIBLE ALTERNATIVE IN ANTICIPATED DELAY OF OUTGOING MAIL

Mr. **Traxler**. I want to ask another question in connection with something that Jimmy was telling us in the course of his testimony. He talked about publications and how far behind they could get in the Publications Distribution Service. He talked about the kind of work they do in PDS, the weighting, inserting, collating, folding, et cetera.

If a Member wanted to avoid that perhaps two months' delay that could occur down there, would one of the ways that could be done be to have materials printed outside of the House, take it to a private printer, take a newsletter down there and deliver it to you for mailing?

Mr. **Rota**. Yes. It would not even be necessary to deliver it to me. It would have to be addressed—not to local patron. Local patron would have to be—you can have it printed and sent in and then mailed. There would be no problem on that. But you would have to have it folded, have an outside firm do all your printing and all.

Mr. **Traxler**. Deliver it to you for mailing with the labels and so forth?

Mr. **Rota**. Yes. It would be bagged mail then.

Mr. **Traxler**. Ray is nervous, Mr. Chairman.

Mr. **Colley**. The House bulk rate mail permit should be used even in outside mailings.

Mr. **Traxler**. Bulk rate mail, I would use my frank.

Mr. **Colley**. You are required to send bulk mail under the third class rate.

Mr. **Traxler**. That is right.

Mr. **Colley**. We had information in billings from the Postal Service where bulk mail has gone first class. It is a requirement that bulk mail go under a third class bulk rate permit. You could get it prepared outside.

Mr. **Rota**. You would have to bring it back.

Mr. **Traxler**. Deliver it to your office?

Mr. **Rota**. As long as it met the requirements set by the Franking Commission on the breakdown, to qualify for that type of mail.

Mr. **Myers**. Those could not be mailed from our district offices, then?

Mr. **Rota**. I thought they could with a permit. Yes, as long as we have a permit so they can properly bill the House for it. That is all.

Mr. **Traxler**. You can work that out for us? We can talk to you about that? We can have them printed in the district and have them mailed from the district?

Mr. **Rota**. Yes.

Mr. **Fazio**. It becomes factored in with your local costs.

Mr. **Rota**. You would have to have it folded, prepared, everything outside. That would help you meet the requirements.

Mr. **Traxler**. Zip coded?

Mr. **Rota**. Right.

Mr. **Traxler**. Which you currently do now on the basis of the labels we gave you?

Mr. **Rota**. Yes. That would be the House Folding Room, yes, sir. That is done.

Mr. **Traxler**. I am just looking ahead and seeing what ways could be done to eliminate that delay, and, Ray, the fact that it is printed out of house, brought back, it still has to be properly counted out?

Mr. **Colley**. To get the reduced rate.

Mr. **Traxler**. So, we are not going to beat the system?

Mr. **Rota**. No.

Mr. **Colley**. Unless you are prepared to meet the postal requirements, you don't get the reduced rate. The Postal Service is checking all mailings at district offices. We get billed for the mail there, too.

Mr. **Traxler**. What I am saying is, going back to the point Jim was making earlier, there will be considerable delay because of the inability to have additional—part-time personnel, temporary personnel to handle the April to October surge. So the question is, how do we get around that? What do we do, aside from hiring people?

Mr. **Colley**. Possibly, have it prepared elsewhere and brought to the Post Office to be mailed.

Mr. **Rota**. The only problem is you would some way have to acquire that expense from your office.

Mr. **Traxler**. It can be part of printing expense, I suspect.

Mr. **Rota**. The folding and all.

Mr. **Fazio**. It would just add to your office expense account.

Mr. **Traxler**. That is right.

Mr. **Fazio**. Will you put in the record, Mr. Rota, the record of incoming mail increases?

Mr. **Rota**. It is all in here.

Mr. **Fazio**. Even though we happen to be in a brief drought, perhaps it is like the oil prices. As the President says, you ain't seen nothing yet.

INCREASE ZIP CODE—DECREASE COSTS

Mr. **Myers**. Make my day.

If I may, what about the use of seven- or eight-digit zip codes, nine-digit? Is that going to reduce?

Mr. **Rota**. It will if the Members use it. This is addressed mail. We sent a letter to all the Members' offices explaining it. I have someone that will work with you to update your master mailing list so that it will qualify you for the plus-4 zip.

Mr. **Myers**. What do I do to say yes?

Mr. **Rota**. I will have somebody come up to your office. She has been meeting on a regular basis with all the offices.

Mr. **Fazio**. Mrs. Boggs has submitted a question for the record.

[The question and response follow:]

QUESTION SUBMITTED BY MRS. BOGGS

OFFICIAL MAIL

Question. My office, like many, has a contract with a main-frame computer services vendor. Has any thought been given to requiring these vendors to provide a presort program for mass mailings. This would save a small amount of money as far as mail costs are concerned.

When publications are mailed in the brown "record size" envelopes, is postage charged at a First Class or Third Class rate (if there is no other indication on the envelope)? Could we save money by requiring that printed materials be marked "Third Class"?

Response. As to use of computer service vendors, we have encouraged use of the "Zip Plus Four" system to reduce postage costs to the Congress. I have included a copy of the notice I sent to Members last year advising of this cost-savings system.

With respect to processing of franked mail, any franked envelope larger than the standard-sized #10 letter envelope is treated as Third Class Mail, unless the Member has clearly marked the envelope, "First Class."

RECENTLY I HAD THE PRIVILEGE OF APPEARING BEFORE THE COMMITTEE ON HOUSE ADMINISTRATION TO SUBMIT A STUDY ON THE UTILIZATION OF THE ZIP+4 PROGRAM AND ITS POTENTIAL FOR THE REDUCTION OF MAIL SERVICE COSTS FOR THE HOUSE OF REPRESENTATIVES. WE BELIEVE THIS PROGRAM CAN RELIEVE FUTURE PRESSURES AND PROBLEMS THAT WE ANTICIPATE AS MAIL VOLUMES CONTINUE TO INCREASE IN THE MONTHS AND YEARS AHEAD. IN ORDER TO REALIZE THE FULL BENEFITS TO BE DERIVED FROM THE ULTILIZATION OF THE ZIP+4 PROGRAM, THE UNITED STATES POSTAL SERVICE HAS GRACIOUSLY PRESENTED TO THE HOUSE OF REPRESENTATIVES AN OPTICAL CHARACTER READER, KNOWN AS AN OCR, WHICH CAN SORT ZIP+4 MAIL AT THE RATE OF 8,000 TO 10,000 LETTERS PER HOUR.

THE COMMITTEE ON HOUSE ADMINISTRATION HAS FAVORABLY REPORTED OUR RECOMMEDATIONS AND THE OFFICE OF THE POSTMASTER IS EAGER TO BEGIN FAMILIARIZING CONGRESSIONAL OFFICES WITH THIS PROGRAM. ALTHOUGH THIS PROGRAM IS VOLUNTARY, WE WOULD ENCOURAGE ITS USE. LET ME STRESS THAT WHETHER OR NOT YOU CHOOSE TO PARTICIPATE IN THE ZIP+4 PROGRAM, YOUR MAIL WILL CONTINUE TO BE HANDLED PROMPTLY WITHOUT REGARD TO WHAT TYPE OF ZIP CODE IT HAS OR, IN FACT, WHETHER IT HAS ONE AT ALL.

ENCLOSED FOR YOUR CONVENIENCE ARE THE ZIP+4 CODES FOR MEMBERS' WASHINGTON AND DISTRICT OFFICES. THE WASHINGTON ZIP+4 CODES WERE ASSIGNED TO EACH MEMBER ALPHABETICALLY BY STATE AND NUMERICALLY BY DISTRICT WITHIN THAT PARTICULAR STATE. ALSO INCLUDED ARE THE ZIP+4 CODES FOR LEADERSHIP OFFICES, COMMITTEES, SUBCOMMITTEES, OFFICERS OF THE HOUSE, CAUCUSES, LIAISON OFFICES, AND GENERAL SUPPORT OFFICES. A CHECK LIST TO ASSIST YOU IN PREPARING A MAILING OF 250 OR MORE FIRST CLASS LETTERS USING THE ZIP+4 HAS ALSO BEEN INCLUDED. IN THIS, THE INITIAL PHASE OF IMPLEMENTING THE ZIP+4 PROGRAM, WE ARE CONCERNED ONLY WITH MAIL THAT FITS THE REQUIREMENTS FOR FIRST CLASS MAIL SERVICE.

IN ADDITION, THE OFFICE OF THE POSTMASTER HAS MADE ARRANGEMENTS WITH THE UNITED STATES POSTAL SERVICE TO ADD THE APPROPRIATE NEW CODES TO YOUR EXISTING MAILING LISTS. THIS WILL BE DONE AT YOUR REQUEST AND AT NO COST TO YOUR OFFICE. WHEN THE LISTS ARE BEING UDATED, CORRECTIONS WILL BE MADE FOR SPELLING ERRORS AND INCORRECT ADDRESSES. I HAVE TAKEN THE LIBERTY OF ENCLOSING THE FORM NECESSARY TO REQUEST THIS SERVICE. IF YOU WISH TO HAVE A MAILING LIST UPDATED TO CONFORM TO THE ZIP+4 PROGRAM, PLEASE RETURN THE COMPLETED FORM TO ME AS SOON AS POSSIBLE SO THAT THE PROCESSING OF YOUR MAILING LISTS CAN PROCEED WITHOUT DELAY.

IF YOU HAVE ANY QUESTIONS REGARDING THESE NEW CODES OR IF YOU DESIRE ADDITIONAL INFORMATION, PLEASE DO NOT HESITATE TO CALL ME AS I WANT TO DO EVERYTHING POSSIBLE TO ENSURE THAT YOU AND YOUR STAFF ARE FULLY APPRISED OF THE BENEFITS AND MECHANICS OF THE NEW ZIP+4 PROGRAM.

WITH BEST WISHES, I AM

SINCERELY,

Bob

ROBERT V. ROTA, POSTMASTER
U.S. HOUSE OF REPRESENTATIVES

COMPARING HOUSE MAIL VOLUME TO THAT OF A MAJOR CITY

Mr. Myers. One other question. This 42 million pieces incoming, whatever the outgoing is, is this comparison of the size of volume to your office to some city?

Mr. Rota. It would be the major cities.

Mr. Myers. Do you have figures like that? What Post Office would be similar?

Mr. Rota. I don't have it. I can find out.

Mr. Myers. Put it in the record some time.

Mr. Rota. We are very unique. Even though we have tremendous volumes, we only have a few Members really whereas the City of Chicago, for example, would have millions of people. We only have 500 boxes. So, we can work that mail with relatively fewer people, much faster than they can, with the tremendous volumes that they are receiving.

I have been told we were.

FURTHER DISCUSSION ON ZIP PLUS FOUR

Mr. Myers. We don't need the nine-digit on our return?

Mr. Rota. It would help. If we go with the nine-digit zip—I met with a Member yesterday, and he had a questionnaire that had gone out. He said he would like to be able to save some on the postage cost. We gave him the nine-digit zip. It will be bar-coded and they will break it down by a machine. It will be bound. By processing it that way, it will save us the man hours of pitching that mail.

Mr. Myers. Do the Majority and Minority rooms know how to put the bar on there?

Mr. Rota. I am sure they do. It would definitely save a tremendous amount of money and man hours and also time to the Member on his returns, getting them back.

Mr. Fazio. Thank you very much.

Mr. Rota. Thank you.

Mr. Fazio. The subcommittee and Mr. Porter submit questions for the record.

[The questions and responses follow:]

Office of the Postmaster

GRAMM-RUDMAN IMPACT

Question. We know GRH has had an impact on your operation. How much was sequestered? What effect will it have on your operation?

For the record, indicate the specific expenditures that you will reduce as a result of GRH with a comparison to the originally approved budget. Also, indicate actual fiscal 1985 expenditures for those items.

Response. The amount sequestered under GRH was $89,225, or $7,435 per month, approximately 7 employees. In addition 19 of the new employee positions approved May 11, 1985 were not included in the FY 1986 Appropriation bill as it was contemplated that these 19 new positions would be funded in a 1986 Supplemental appropriation. As no supplemental funding was approved, we experienced a shortfall. Finally, our FY 1986 appropriation request was cut $70,000, adding further to our shortfall.

All told, we have had to make up for three shortfalls—(1) the GRH sequestration, (2) the failure to fund the 19 new positions, and (3) the reduction in our FY 1986 appropriation request. These three combined factors required me to place a total of 31 of our 130 employees (about 24% of our total workforce) on furlough in early February.

Due to below average mail loads, we are currently able to maintain all services but expect to encounter backlogs in processing of mail in the months ahead assuming mail volume returns to normal levels.

QUESTION FOR RECORD FROM MR. PORTER

Question. Mr. Rota (Postmaster), your request of $2,349,000 for the Office of the Postmaster for FY '87 is an increase of $363,225 over the FY '86 post-sequester amount. Can you outline for me the steps you could take—in terms of personnel changes or reductions in the services provided to Members—to hold FY '87 expenses to the FY '86 post-sequester level?

Response. Please understand that this additional $363,225 is simply to make up for the amount inadvertently omitted in FY 1986 to fund the 19 new positions approved by the Committee on House Administration too late to be included in our FY 1986 regular appropriation. Obviously, this Office will take whatever steps are necessary to comply with the will of the Congress as to funding levels. If further reductions are necessary, we will consider reducing the frequency of mail deliveries and such other cost-saving steps as are required to be in full compliance with the law.

Mr. FAZIO. Let's now proceed on with the Office of the Chaplain and the Parliamentarian.

OFFICE OF THE CHAPLAIN

Mr. GUTHRIE. For the Office of the Chaplain, $73,000.

I would like to insert the table.

[The table follows:]

CHAPLAIN

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$72,000	$73,000	$73,000
Expenditures	69,900	19,875	0
Unexpended balances	2,100	53,125	73,000

OFFICE OF THE PARLIAMENTARIAN

Mr. GUTHRIE. For the Office of the Parliamentarian, including the Parliamentarian, Compilation of Precedents and $2,000 for preparing the Digest of Rules, $634,000.

I would like to include the tables for the record.

[The tables follow:]

The increase of $11,000 is a result of possible merit increases in FY '87. Also included are funds for the employment of an additional attorney position, if required. Mr. Chairman, for your information, we have provided a combined table as well as separate tables showing actual and estimated appropriations and expenditures.

PARLIAMENTARIAN (INCLUDING COMPILATION OF PRECEDENTS)

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$623,000	$623,000	$634,000
Expenditures	550,353	139,248	0

PARLIAMENTARIAN (INCLUDING COMPILATION OF PRECEDENTS)—Continued

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Unexpended balances	72,647	483,752	634,000

PARLIAMENTARIAN (EXCLUDING COMPILATION OF PRECEDENTS)

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$414,000	$414,000	$425,000
Expenditures	357,554	90,587	0
Unexpended balances	56,446	323,413	425,000

COMPILATION OF PRECEDENTS

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$209,000	$209,000	$209,000
Expenditures	192,799	48,661	0
Unexpended balances	16,201	160,339	209,000

OFFICE FOR THE BICENTENNIAL

Mr. GUTHRIE. For the salaries and expenses for the Office of the Bicentennial, established December 17, 1982, $237,000.

As I noted in my testimony before the subcommittee one year ago, Rule I, Clause 10 provides that this office shall cease to exist no later than September 30, 1989.

I would like to insert the table, and welcome Dr. Raymond W. Smock.

OFFICE FOR THE BICENTENNIAL

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$193,000	$219,000	$237,000
Expenditures	133,515	42,439	0
Unexpended balances	59,485	176,561	237,000

BRIEF STATEMENT FROM HOUSE HISTORIAN

Mr. SMOCK. I am glad to be here. I wish this was fiscal year 1886 or 1887, because the government was faced with a terrible surplus at that time and did not know how to spend all of that money.

Mr. FAZIO. Unfortunately, we're not faced with that situation.

Mr. SMOCK. I have a prepared statement, and a statement that I made earlier before the House Commission on the Bicentenary. I would like to have these inserted in the record.

[The statements of Mr. Smock follow:]

STATEMENT OF
DR. RAYMOND W. SMOCK, HISTORIAN
OFFICE FOR THE BICENTENNIAL OF THE
U. S. HOUSE OF REPRESENTATIVES

BEFORE THE
SUBCOMMITTEE ON LEGISLATIVE BRANCH APPROPRIATIONS
WEDNESDAY, FEBRUARY 19, 1986

Mr. Chairman, members of the subcommittee, I am glad to have the opportunity to testify on behalf of the Office for the Bicentennial of the House. The total appropriation we are requesting for 1987 is $237,000 for the operational expenses of the Office for the Bicentennial. This is an $18,000 increase over the amount appropriated for FY '86. This increase includes $11,000 for the purpose of meriotrious promotions and $7,000 for non-personnel expenditures such as travel, telephone, office supplies, and consultants. As we get closer to the Bicentennial and as more of our plans take shape, we will need to seek the assistance of outside consultants for purposes of exhibit designs and other art and graphic work. Now that the House has a Commission on the Bicentenary, of which I will say more in a moment, we anticipate some modest increase in our needs for travel and incidental office expenses related to the work of the Commission.

Our office is on track to complete its major assignment of planning and coordinating the commemoration of the 200th anniversary of the House in 1989. The projects that we have under way and that I have reported to you in previous testimony before this subcommittee are moving along smoothly. We have continued to receive excellent cooperation from many offices, committees, and individuals in the House and I detect a growing interest in the upcoming bicentennial here in the House and around the country. We have had good cooperation and assistance from the Office of the Clerk, the Office of the Parliamentarian, the Library of Congress and the Congressional Research Service, the Office of the Architect, the Joint Committee on Printing, the Government Printing Office, and the House Administration Committee, to name just a few.

Recently the House agreed to S. Con. Res. 85 which authorizes the printing of the Biographical Directory of the United States Congress 1774-1989. The preparation of this new edition is the most complex research project we are undertaking since it deals with the biographies of approximately 10,000 persons who have served in the House since 1789. Most of the costs associated with the printing of the volume will not be needed until fiscal year 1988.

I am very pleased to report that the House has created a bipartisan Commission on the U.S. House of Representatives Bicentenary (H. Res. 249, 99th Congress, 1st Session). This Commission will oversee the planning and direction of the commemoration of the bicentennial of the House in consultation with the Office for the Bicentennial. The Office for the Bicentennial is proud to serve as the staff for this Commission. The Commission held its first meeting in October 1985 at which time I testified on some of the plans that we had developed for the bicentennial. For the record I would like to submit my statement before the House Commission to appear along with my testimony today.

The Members of the House Commission all have an abiding interest in the history of the House. The Chairman of the House Commission, I am pleased to say, is Lindy Boggs, who is also a member of this subcommittee. The other Members of the Commission are Peter W. Rodino, Jr., Phil Sharp, Bud Shuster, Newt Gingrich, Paul Henry, former Members Richard Bolling and John J. Rhodes, and ex-officio Members Jim Wright and Robert H. Michel.

As the House Commission meets over the next few months it will be honing and revising some of the plans we have already developed and it will be suggesting some new programs which may need additional funding. I know this may not the best time to be coming before this subcommittee and suggesting that we may be back requesting more funds in the near future. But in order to see to it that the Office for the Bicentennial and the House Commission on the Bicentenary meet our responsibilities to the House as set out in two House resolutions, some additional funds may be required once the House Commission has determined the specific agenda for bicentennial activities. We are doing everything in our power to plan a meaningful celebration and one that will do the job with a modest expenditure. Most of the funds for publications and other activities will not be needed until 1988 or 1989. We have kept the expenses of the Office for the Bicentennial down below appropriated amounts since the office was established in October 1983. We have done this despite the fact that a new office often is difficult to budget for until it is well defined and fully operational. What we have tried to do is set goals that can be achieved by a small staff and not attempt to exceed our grasp or our budget. We do know, however, that as our mission grows more intense over the next few years and as some of our projects reach completion and as the House Commission on the Bicentenary determines the full scope of House Bicentennial activities there will be a need for specific requests for funds beyond the operational expenses of the Office for the Bicentennial.

As I testified last year, we are trying not to re-invent the wheel. We do not want to duplicate efforts already under way in other offices here at the House or in other agencies within the Federal Government. Our job is to coordinate and plan for the best use of the resources of the House in order to meet the challenge of the bicentennial celebration. If we are successful, and we are confident we will be, we will have a commemoration that the House and the entire country will be proud of and we will do it economically and responsibly.

Last year I asked for two additional full-time staff to help us achieve our goals and this subcommittee turned down that request. At the time, Mr. Chairman, you will recall that at the same time that I requested two additional staff persons I said that I could get by without them if I could get the equivalent help from existing staff when we needed the help. I am pleased to say that we have gotten by pretty well this past year without the new positions because of the fine help we have received from the Congressional Research Service and other offices such as the Clerk's Printing Office and the House Information Systems. H. Res. 249 that created the Commission on the House Bicentenary provides that the Commission can draw upon staff of other employees of the House and its support agencies as may be agreed to by mutual consent. As long as we continue to get the help of the other offices of the House we will meet our goals in fine style. We want everyone connected with the House to have a role to play in the bicentennial effort, because the celebration belongs to everybody in the House and every citizen of the country.

I'll be happy to answer any questions the subcommittee may have.

STATEMENT OF

Dr. Raymond W. Smock, Historian
Office for the Bicentennial of the
U.S. House of Representatives

Before the Commission on the
U.S. House of Representatives Bicentenary
Monday, October 7, 1985

Madam Chairman, distinguished Commissioners, I am very happy to see that the House has created this Commission, and the Office for the Bicentennial of the House is excited by the prospect of working with you in planning for the 200th anniversary of the House of Representatives in 1989.

In the time I have today I would like to give you a brief outline of what we have done thus far to lay the groundwork for the events of 1989, and suggest some things that this Commission might want to explore to move the bicentennial planning along. All of this is in the form of an introduction to the bicentennial thinking that has gone on already within our office, the Senate Historical Office, and other agencies of the federal government. By no means do I want to suggest that the entire agenda has been set. We look to this Commission for guidance in the development of our bicentennial plans and we want to do everything in our power to carry out the agenda that this Commission approves in the months ahead.

Our bicentennial celebration for the House will not occur in a vacuum. It will be an important part of the events and programs of the upcoming Bicentennial of the U.S. Constitution 1987-1989. The Constitution itself and the three branches of government created by the Constitution will be the focus of much national attention in the years ahead. It is our responsibility, I believe, to cooperate with all the federal and state agencies and private groups and institutions all across America in seeing to it that we have a proper and fitting commemoration of what 200 years of the growth of individual freedom and representative government have meant to this country and the world.

We should celebrate; we should have grand events and galas, and fireworks. The 200th anniversary of the Constitution and the Federal Government is indeed worth shouting about. But our responsibility extends beyond the joyful events that we will arrange for part of the celebration. We should also create and promote projects that will last beyond 1989 and be useful to the nation and the House of Representatives for many years to come. This, in my opinion, is the real challenge of the bicentennial and the real reason for the celebration.

We need to do a good deal of basic research on the history of the House of Representatives. Our small office cannot do it all -- nor should we even if we could. But we can build a good foundation and encourage scholars in our universities and colleges to pay more attention to the history of Congress.

It is not much of an overstatement to say that American historians have all but abandoned the study of political history in this country. When historians write on the federal government they tend to focus on the White House, where it seems easier to write about a president and a cabinet than it is to tackle 435 members of the House. When historians do look at the Congress they tend to focus on the Senate, perhaps in part because of the good work of my colleague, Richard Baker, the Senate Historian, who has built a good foundation for Senate history in his ten years on the job.

The House of Representatives, as the one component of the federal government that is closer to the people of this country than any other, deserves to have its history accurately told and properly studied as we enter our third century.

Some of the scholarly foundations that we are working on now, that will be ready for the Bicentennial and useful for years to come are:

1. The Biographical Directory of the United States Congress.

This is our most ambitious project in terms of the amount of time and effort that will be needed to complete the task. This standard resource on the Congress has been indispensable to those interested in the Congress since before the Civil War. But it has much room for improvement. We will correct errors from previous editions, add new data on Committee chairmanships and party leadership positions, and add for the first time bibliographic entries to lead researchers to other books or articles by or about the Members. Now, for the first time in history, we have the entire biographical directory in a computer data base and are proceeding systematically with our editorial work.

2. A Guide to the Manuscripts of Former Members of the House.

This book-length guide will be a real boon to scholars of the Congress by assembling for the first time data on manuscript collections, oral histories, diaries, and memoirs of former House Members. We are using volunteers in all fifty states to help us with this project. Six states are already completed. Some of the more populated and older states still have a lot of work remaining. Pennsylvania, for example, has produced almost 1,000 Members of the House since 1789. That is one-tenth of the entire membership of the House. It will take a special effort to search out all the rich collections that are in the repositories of that state. One of the reasons the House has not been studied as much as it should be is the lack of information on manuscript sources. We have to know where the documents are before we can begin to use them.

3. An Illustrated History of the House of Representatives.

We believe the House deserves to have a splendid high quality publication with four-color illustrations that can handsomely tell the sweeping story of 200 years of history. This would be a very popular item, designed in the tradition of American Heritage Magazine or the National Geographic Magazine to reach a wide audience. We have prepared a 260-page draft of the text, which still needs some work on certain chapters, and we are ready to embark on research for the photographic illustrations.

4. Revised editions of Black Americans in Congress and Women in Congress.

These publications were done at the time of the American Revolution Bicentennial and should be revised. We could do these as separate publications as in the past, or combine them into a special section in the Illustrated History of the House.

5. History in the House Newsletter.

This small publication has become rather popular with Members and staff and a growing number of persons have requested copies. We could expand the circulation of this newsletter or use the contents of some of the issues to prepare handsome brochures on various aspects of House history. For example, our article on the House Chamber could be the basis for a pamphlet that Members could give out to constituents who visit the Capitol.

Publications take the longest lead time and that is where we have spent most of our effort in the past two years. Now it is time to turn to other plans such as exhibits for the Capitol and, perhaps, a traveling exhibit that will tour the country.

In addition to the many tourists in the Capitol, we have millions of persons who visit the House Office Buildings -- most of which have long hallways barren of any art or exhibits. Attractive exhibits on the histories of House Committees, national maps showing congressional districts throughout history, and other themes would not only enliven the bare halls but serve an educational function as well. These exhibits could be mounted under plexiglass to prevent damage and could be changed periodically.

One exhibit that would have wide appeal to Members and visitors alike would be a handsome large-scale mounting of photographs and drawings showing the construction of the Capitol Building and the House Office Buildings. The Cannon Building should have an exhibit on that building, and Longworth and Rayburn should each have their own exhibits.

We need to explore ways in which the written and visual history of the House can reach millions of Americans. Many things we can prepare will be suitable for distribution to our schools and colleges. We should also explore ways in which newspapers, radio, and television can play a role in getting out the word on the bicentennial. Both educational and commercial television should be encouraged to produce documentaries and drama that will help us understand the changes and growth in Congress over the past 200 years.

Many commercial television producers assume that history is boring and they shy away from historical themes unless they can be reduced to soap operas. But I know that the artistic talent exists in this country to produce first-class historical films that can be powerfully dramatic and of high educational value.

There is also an emerging new technology that offers fantastic potential to help educate another generation of Americans on the basic political history of this country. This is interactive video disk technology. It is not just a fancy new television -- it is a new form of storing, arranging, and presenting information. Perhaps the best way to describe this is with an example of what we could do with it. Imagine a television screen with a map of the United States on it. Viewers who wanted to know about their own state would simply touch the screen where their state is located and the screen would instantly change to an image of that state showing congressional districts. By touching the screen again in a particular district, the image of the Congressman from that district could appear and give the viewer information on the district, the state, or a discourse on how Congress works, or whatever subjects have been recorded on the disk. We can put 150,000 images, either motion picture footage, still pictures, charts or diagrams on one disk the size of a 33 1/3 RPM record. This technology could be used for exploring the art and history of the Capitol. One frame could show an entire picture in the Rotunda of the Capitol; by touching the screen close-up details or information on the artist could be presented.

All of our plans, of course, have to be considered in light of what we can afford to do. Some of the things I have suggested today, such as the *Biographical Directory of the United States Congress*, should be funded by the Congress itself, as it has been since 1859. If we decide to go ahead with a high quality illustrated history of the House of the quality of *American Heritage Magazine* or the *National Geographic*, we may need to find a way to have it underwritten by the private sector. One of the questions that I hope this Commission will address is the relationship of the Bicentenary of the House to the private sector. Public Law 98-101, that created the Commission on the Bicentennial of the Constitution chaired by Chief Justice Warren Burger, contains provisions for the Commission to raise money from individuals and corporations. It also has plans to raise funds from the sale of coins and medals and from the licensing of use of an official logo (legislation pending). In future meetings I hope we can address the question of how best to fund worthwhile projects, programs, and events while keeping down the cost and seeing to it that what is expended is of lasting benefit to the American people.

A number of American corporations have expressed an interest in helping with the bicentennial through sponsorship of symposia and other events at the Capitol, while others have expressed interest in being a part of a national touring exhibit that might need trucks or other logistical support. I hope we can come up with a good plan of action in working with the private sector.

Let me close my remarks with one example where the Congress and the private sector could work together with the Commission on the Bicentennial of the Constitution to reach millions of Americans. I would like to see a national Constitutional Exhibit, what I have been calling "The Constitutional Caravan," that could tour all fifty states, and stop in all fifty state capitals. This tour could include exhibits of art and photographs and documents, have a theatrical component for live theater, films, music, and dance, and even include terminals for interactive video disk programs. Each branch of government would be responsible for coordinating their part of the exhibit with the other branches. The centerpiece of the Congress exhibit could be the 20-foot tall model of the "Statue of Freedom." It would probably take a special vehicle to transport this large Statue, and that vehicle, it seems to me, could be developed and donated by an American firm as their contribution to the bicentennial. The Architect of the Capitol already has plans to restore this Statue and put it on display. We need to determine if a national tour of this great work is feasible and determine if the Statue could withstand such a rigorous tour without sustaining damage. As part of the restoration the Statue could be lightened in weight and strengthened at the same time according to a 1973 Smithsonian Institution study. We need to get some expert advice on the ability of the Statue to travel.

I have focused on 1989 as the year of the House Bicentennial. We also need to address this Commission's role in activities related to the Bicentennial of the Constitution, which begins in 1987 and extends through 1989. I know, for example, that the City of Philadelphia and Independence National Historical Park plan to invite the entire Congress for a day of activities in Philadelphia during the month of July 1987. They have proposed that the Congress actually convene there and conduct a day of business. It would be the first time in 187 years that the House met outside of Washington, D. C. It would have great symbolic importance in helping to launch the Bicentennial Era.

This concludes my prepared remarks. I will be happy to answer any questions that the Commission may have, and I want to thank you all for your abiding interest in the history of the House of Representatives.

MAJOR ASSIGNMENT OF OFFICE

Mr. **Smock**. Our office is on track to complete the major assignment of commemorating the 200th anniversary of the House in 1989. There are two developments that I want to particularly point out.

One is, the House recently agreed to Senate Concurrent Resolution 85, which authorized the printing of the biographical directory of the U.S. Congress. That is the biggest and most complex research project we are undertaking, since it deals with the biographies of approximately 10,000 Members of the House who have served since 1789.

Most of the costs associated with this project will not be needed until fiscal year 1988.

I am pleased to report that the House has created a bipartisan Commission on the U.S. House of Representatives Bicentenery. This will oversee the planning and direction of the commemoration of the bicentennial of the House in consultation with the Office for the Bicentennial.

MEMBERS OF THE COMMISSION ON THE BICENTENERY

Mr. **Fazio**. Would you provide the names of the leadership and membership of that?

Mr. **Traxler**. Who chairs that?

Mr. **Fazio**. Yes, that is what I am interested in.

Mr. **Smock**. The Chairman of the House Commission, I am pleased to say, is Lindy Boggs, who is a member of this subcommittee.

Mr. **Fazio**. Before Mrs. Boggs took that role, she was providing leadership right here. I don't think she has ever let an item go by that was not fully funded and treated very well.

Mr. **Myers**. Someone was fired a couple of weeks ago for a conflict.

Mrs. **Boggs**. Do you want to fire me? [Laughter]

Mr. **Smock**. The other members of the commission are: Peter Rodino, Phil Sharp, Bud Shuster, Newt Gingrich, Paul Henry, former Members Richard Bolling and John Rhodes, and the ex-officio members are Jim Wright and Robert Michel.

FUTURE PLANS FOR HOUSE COMMISSION ON BICENTENERY

Over the next few months, the House Commission will be meeting and honing the plans that we have already developed and suggesting new plans for our commemoration of the Bicentennial of the House in 1989. And I know this might not be the best time to suggest this, but I hope that we will be coming back to this subcommittee in the future with specific needs as our bicentennial plans are formulated with the advice of the commission.

Mr. **Fazio**. When do you expect to submit your official budget plans for the next several years?

I could ask this of the chairperson of the commission.

Mrs. **Boggs**. I think you will find that next year we will be needing some specific allocations to do specific projects of various kinds of ceremonial events. As Ray has said, Congress will have to make funds available for the printing of the Biographical directory. I assume we will need travel expenses to coordinate with programs that would be going on in other places such as New York and Philadelphia.

I agree with the assessment about security requirements for these events. I don't think we can impose the entire responsibility for the protection of the membership of the House and Senate on the local authorities if we go in large numbers to events in other cities.

Ray, can you think of any other help we may need as the time goes on?

OTHER PROJECTS UNDERWAY

Mr. **Smock**. We are planning several publications. The biographical directory has already been authorized by Congress. We hope to do a guide to the papers of former Members of the Congress which will be a great aid to scholarship. That project is underway in our office.

I don't think it will be a very expensive publication. Again, it will depend on how many copies are printed; and if the usual number are printed, I think the costs will be $30,000 or $40,000 for that publication.

We are also hoping to do a rather fancy, full-color history of either the House of Representatives or a joint publication on the entire Congress that we are hoping to find private funding for. There have been a number of corporations interested in making a contribution to the Bicentennial of Congress in some way.

We are exploring with the General Counsel of the Clerk's office ways in which we can do that sort of thing. In that way, we will keep the costs down.

Mr. **Fazio**. There may be some sensitivity about that. Given our fiscal situation and the general public benefit that comes from complete celebration of this very historic event, I would encourage keeping the costs to a minimum.

However, I don't want to imply we won't be fully supportive of you and Mrs. Boggs and other members of the commission.

Mrs. **Boggs**. During the American Revolution Bicentennial, we had a Senate-House Committee on Bicentennial Arrangements.

At any rate, it does provide a vehicle through which you can receive some of the contributions, donations, et cetera.

LEGALITIES RELATED TO COLLECTION OF CONTRIBUTIONS

Mr. **Traxler**. Have we created some sort of foundation or institute that is capable of receiving nonprofit foundation contributions?

Mr. **Smock**. We have not created that yet. That is one of the suggestions I have asked the Counsel of the Clerk to look into.

One thing we have discussed is possibly using the Former Members of Congress, Incorporated, as such a device. They are already established as a 501(c)(3) entity. They also are very interested in supporting the efforts of the bicentennial and plan to play a big role in it.

Mrs. **Boggs.** They are especially supportive of the effort to assemble an index to the location of Former Members' papers.

GENERAL DISCUSSION ON ADEQUATE OFFICE SPACE

Mr. **Fazio.** Do you have adequate office space for your activities? Is that something that will become increasingly difficult?

Mr. **Smock.** That is increasingly difficult. We are in a small corridor leading to the barber shop in the Cannon Building. The ventilation is not good and the space is inadequate. But I know that is a complaint heard not only in my office but in other places around the Hill and other parts of government.

We do have one of our staff members who is in the Library of Congress roaming the stacks and using a desk over there most of the time, doing research for us.

I know a lot can be done without having an adequate space. I spent 15 years as a researcher just using the public desks in the Library of Congress. It is not the best way to get things done, but it can be done.

Mr. **Fazio.** That is an increasingly short day over there.

Mr. **Smock.** Which has affected us.

ACCOLADE FOR HISTORIAN AND STAFF

Mrs. **Boggs.** Ray has also given many extra hours of his time and lent his expert knowledge in working with me on the Commission of the Bicentennial of the U.S. Constitution. I am the Speaker's designee on that Commission. Ray has attended all of the commission's meetings and has served as informal liaison between the Commission and the Congress.

I think Ray and his staff deserve our commendation. If there is any way to give them a little more working space. They have had help from volunteers.

But there really isn't anyplace to put them.

COLLECTION OF OUTSIDE FUNDS

Mr. **Fazio.** Through the use of the Former Members nonprofit group, we might begin the process of deriving outside funds. It may be advantageous to rent office space off the Hill to house the institute and the activities which you are engaged in. That is a good place to get started. Perhaps it would be possible to obtain a grant to cover some of the overhead.

I don't mean to be parsimonious; we do want to help you. However the fiscal situation is much different than it was 100 or 200 years ago.

CLOSING REMARKS TO HISTORIAN

We will support you to the best of our ability, but hope we can have some help from the private sector.

I do want to congratulate you on operating as well as you have with limited resources.

It would be very helpful to the committee if we could have a formal presentation of the anticipated costs for the subsequent fiscal year.

Mr. Smock. We are planning for a meeting in early March, at which time we will have a full agenda of topics to take up with the commission. So, shortly after that, we should be able to be back to you with specifics.

Mr. Fazio. I hope you will have Ed Lombard sitting with you at that time.

Mrs. Boggs. With the appointment of Dick Bolling, our House Commission has a complete membership at our March meeting. The staff will submit a list of suggested seminars and events, for the commission to take under consideration.

After that meeting, we should be able to have a well reasoned budget to present to you.

Mr. Fazio. Thank you very much.

Any other questions?

OFFICE OF THE LAW REVISION COUNSEL

Ben, please proceed.

Mr. Guthrie. Thank you, Mr. Chairman.

For salaries and expenses of the Office of the Law Revision Counsel, $884,000. The amount requested includes 852,000 for personnel and 32,000 for non-personnel items, and these funds are requested by the Law Revision Counsel, Mr. Ed Willett, who is here to respond to any questions you may have.

I would like to insert the table in the record at this time.

[The table follows:]

LAW REVISION COUNSEL

[Appropriations, Actual Expenditures, Unexpended Balances]

	Fiscal Year—		
	1985	1986	1987
Total appropriations	$839,000	$859,000	$884,000
Expenditures	782,890	195,824	0
Unexpended balances	56,110	663,176	884,000

STATEMENT OF LAW REVISION COUNSEL

Mr. Guthrie. I will yield at this time.

Mr. Fazio. Proceed.

Mr. Willett. I have a statement that I would like to offer for the record, Mr. Chairman.

Mr. Fazio. We will include it.

Mr. Willett. I can briefly summarize the statement and will respond to questions.

[The statement of Mr. Willett follows:]

STATEMENT OF

EDWARD F. WILLETT, JR.

LAW REVISION COUNSEL OF THE U.S. HOUSE OF REPRESENTATIVES

to the

Subcommittee on Legislative Branch Appropriations

of the House Committee on Appropriations

February 19, 1986

Mr. Chairman and members of the Subcommittee, it is a pleasure to appear before you with regard to the request for the Office of the Law Revision Counsel.

I am requesting $884,000 for Fiscal Year 1987, an increase of $25,000 over FY 1986. Of this increase, $5,000 is attributable to nonpersonnel costs, and $20,000 is attributable to increased personnel costs for meritorious promotions.

The amount requested for personnel funding is based on 18 employees, which is the same number of employees provided for in the 1986 appropriation. This number includes 11 positions for attorneys, and 7 technical and clerical positions. Our FY 1986 appropriation was based on a total of 18 positions, a reduction in one clerical position from FY 1985. This was made possible because of increased efficiency and productivity resulting from utilization of the computerized law revision and retrieval system. In testifying before you last year, I advised we would be filling 2 vacancies that had occurred due to recent resignations. One of the vacancies has been filled with a paralegal and our recruitment efforts have resulted in the selection of an extremely well-qualified young attorney to fill the other, with a scheduled June 1 commencement date.

During the past year, work was completed on the final volume of Supplement I (1983) and on the five volumes comprising Supplement II (1984) of the United States Code. Currently, we are preparing Supplement III (1985), which will contain laws enacted to January 21, 1986. It is expected that Supplement III will comprise 7 volumes, with the first volume going to press in the spring.

The database of the Code research and retrieval system is now current through Supplement II. Presently, we are enhancing the database to include citation to any recent amendment or repeal of a section that has not yet been incorporated into the database. Thus, a search by a user of the system would provide either the current text of a section or the latest available text of that section plus citation to subsequent amendment or repeal of that section.

With respect to the preparation of codification bills to enact titles of the Code into positive law, work was completed on updating the bill to enact title 8, "Aliens and Nationality", and the accompanying draft committee report containing reviser's notes and tables. The updated bill was introduced September 17, 1985, as H.R. 3321, and the Chairman of the Committee on the Judiciary requested reports from the appropriate departments and agencies. Reports and comments that have been received have been reviewed. Reports from certain departments have not as yet been received.

Completion of the bill to enact title 25, "Indians", has been delayed because two of the attorneys working on this bill were on leave for health reasons during mid-1985 for a total of about 8 months. Both have returned to work, and we expect to have the bill and accompanying draft report completed, printed, and circulated for comment by the end of next month.

Pursuant to section 2(j) of Public Law 98-89, the Federal Maritime Commission and the Maritime Administration, Department of Transportation, have submitted draft bills to codify into positive law in title 46, "Shipping", the laws related to those agencies. This Office has been providing assistance to the House Committee on Merchant Marine and Fisheries to review, revise as necessary, and merge these draft bills. Codification assistance also has been provided to that Committee on a number of other maritime topics. These include bills on maritime liability and maritime commercial instruments (H.R. 3156, 3157, and 3158) on which the Committee held hearings last session and will hold additional hearings during the current session. Another is H.R. 1362, load lines and measurements, that has passed the House of Representatives and is awaiting action by the Senate. The last is H.R. 2466, making miscellaneous technical amendments in laws affecting the Coast Guard.

AUTOMATION AND INCREASED SPEED IN PUBLISHING U.S. CODE

Mr. **Fazio**. I would like to discuss the speed at which we are publishing the U.S. Code on a automated basis.

Has the automation increased the speed of the process, or are we experiencing problems that so often accompanies a new program?

Mr. **Willett**. We have a success story to relate to you today.

Mr. **Fazio**. I am glad I asked.

Mr. **Willett**. In terms of the timeliness of publication, we have made real improvements. The computer system has been in full operation for two years now.

We started in full operation with the system, and with the programs all in place, for the 1983 supplement, the first supplement to the new edition of the Code. While it is a little difficult to compare 1983 with what the supplement was six years ago, we basically had the same size supplement, and we have been able to decrease the lag time in publication by about four months.

This is in our first and second years in operation of the system. I am hopeful that we will have even more progress as we get down the line, as our people become more familiar with the system, et cetera, but I think four months is a very significant reduction to be able to report to you today.

I would like to take another minute and talk about another aspect of the program that is very significant, but if you would like to question me on timeliness, I will respond.

SAVINGS RECOGNIZED IN NEW PRODUCTION OF U.S. CODE

Mr. **Fazio**. Can we project dollar savings by producing the Code in this manner versus the prior approach?

Mr. **Willett**. We certainly can. Several years ago, when we first talked to you about the savings projected for the new system, we referred to a letter dated June 20, 1979, from the Public Printer to the chairman of the House Administration Committee about the proposed cost savings.

To give you an idea of the typesetting cost per page of the United States Code, the Public Printer reported that for the 1976 edition, which was a complete new main edition, the actual GPO cost per page was $46.47. That edition comprised about 25,000 pages, and the total typesetting cost was $1,147,000. He estimated in the 1979 letter that if the new system were put into effect, the total cost per page would be $15. That was assuming all typesetting would be done by the Law Revision Counsel's Office. He also estimated that if GPO continued to set the pages using the system that was in place in 1976, the cost per page would be $61 for new material, and $37 per page for cumulated materials.

The experience that we have had in the two years the system has been fully operational, and projecting our costs over the six-year publication cycle of the Code, for purposes of comparison with figures projected by the Public Printer in 1979, our cost at today's pay rates is $18.75 a page versus $15 that he had projected in 1979.

If you were to add the cost-of-living adjustments that have taken place since 1979 for legislative employees, which total 31.4 percent, and apply the cumulative effect of the adjustments to the $15, you will come up with a dollar figure of $20.53.

As I said, our cost now is $18.75 per page at today's rates.

Mr. FAZIO. You have more than met your goal?

Mr. WILLETT. We have more than met our goal. If GPO were to do this at the lowest rate per page that they had estimated in 1979, which was $37 for the cumulated pages, and you were to add the cost-of-living adjustments to that figure, the rate would be $50.66 a page.

Projections of savings over the six-year period are quite astounding.

If we figure the cost of $37 for GPO, the rate they projected in 1979, the savings over the six-year period are $1,295,750, an average annual saving of $216,000.

If you adjust that GPO 1979 rate with the cost-of-living adjustments, the savings are then $2,265,600 over the six-year period for an annual saving of $377,600.

I think this is a real success story.

Mrs. BOGGS. It is indeed.

Mr. FAZIO. It is, and I hope you will share your experience with GPO and provide us with the analysis for the record, so we can discuss this matter with GPO.

We appreciate the good management.

Mr. WILLETT. Thank you. I must say our employees are doing nothing but the U.S. Code work every day, and when you are doing nothing but one particular job, you develop an expertise that you do not have when you are doing 50 different jobs over a period of two or three weeks.

We have found that the time lag in production of page proofs alone, in our office versus when we used to send copy to GPO for typesetting, was reduced by a minimum of 30 days. Now, from the time our editors complete copy preparation, and it is keyboarded, a printout is proofread and revised, corrections made, and a data tape is sent to GPO, which has already been typeset in our own office, we have a turnaround time of about three and a half to four days.

NEW RESEARCH AND RETRIEVAL CAPABILITIES

Mr. FAZIO. That is outstanding.

Mr. WILLETT. This is dramatic evidence of the benefits that this system has brought to the House, and if I may take one further minute, because I am very excited about what is happening.

There are side benefits, spinoff benefits, if you will, that result from this system, independent of the actual production and publication of the Code.

The data base that we have created has been furnished to HIS for research and retrieval capability, so that any Member or office in the Legislative Branch with access to the HIS system can do a search of the U.S. Code data base.

Mr. FAZIO. How long ago did you submit the tape to them?

Mr. WILLETT. As soon as we had finished conversion of the first few titles of the Code to the data base for electronic printing, which was 1977, we submitted a data tape to HIS to see if it was feasible for them to do this. The research and retrieval system has been fully operational approximately five years.

I received a letter from Boyd Alexander, the Director of HIS, a few days ago about who uses this system. In other words, we have a system, but is anybody using it?

USERS OF RESEARCH AND RETRIEVAL SYSTEM

Mr. Fazio. I was going to ask that.

Mr. Willett. In 1985, the U.S. Code research and retrieval system was used for a total of 470 staff hours. The following offices used the system: The Clerk, Law Revision Counsel, Legislative Counsel, Minority Counsel, Parliamentarian, HIS, 30 House member offices, nine House committees, Joint Committee on Taxation, Congressional Research Service, GAO, five Senate offices and the Supreme Court.

Mr. Fazio. Are members of the House and Senate fully aware of its availability?

Mr. Willett. That is something HIS has undertaken on our behalf. We are not in the marketing end. This is a spinoff, and I believe HIS has publicized it, but maybe not to the extent it could have been.

We also make the data base available to the Executive Branch. It has gone to the Department of Justice JURIS Computer System through which anyone in the Executive Branch with access to the JURIS System can search the U.S. Code data base. Also, to the Air Force in Denver, which maintains a system called FLITE, Federal Legal Information Through Electronics. Their searchable data bases include the reporter system, ASPR regulations, et cetera, and anybody in the defense establishment or anyone else who would have access to the Air Force system——

Mr. Fazio. I hope the Army and Navy also have access.

Mr. Willett. It is a spinoff, virtually cost free.

Mr. Fazio. Are we reimbursed for the services we render to the Justice Department?

Mr. Willett. We are not. The data base can be secured through GPO. If that is done, the GPO makes——

Mr. Fazio. Does GPO have the same material that you provide the Justice Department?

Mr. Willett. Yes. As soon as we have printed a volume, anybody can purchase a copy of the data base for that volume from GPO.

Mr. Fazio. Can any private law practice purchase it?

Mr. Willett. Yes, just as they can buy the Code of Federal Regulations and the Federal Register.

Mr. Fazio. Is the JURIS System you mentioned available only to Federal agencies?

Mr. Willett. Yes.

Mr. Fazio. Do other domestic agencies use JURIS, and the military agencies use FLITE?

Mr. Willett. I believe that is so, but any agency can call up FLITE in Denver and say, please do a search for us, and they do the search. There is a small fee for the search.

Mr. Fazio. Could you document all of these questions for the record? I would like to know what their charges are, what they do with it, and we need to keep score a little more accurately now in our intergovernmental relations with the Executive Branch over what we are doing for them.

Mr. WILLETT. I would be very happy to.

[The data base is also available for use in printing committee prints of laws.]

[The questions and responses follow:]

AUTOMATED SYSTEM FOR U.S. CODE

Question. Can you document any dollar savings now that the U.S. Code has been automated?

Response. By letter dated June 20, 1979, to the Chairman of the Committee on House Administration, the Public Printer stated that the typesetting cost (exclusive of initial data base creation) of the 1976 edition of the U.S. Code (which comprised nearly 25,000 pages) was $1,147,000, for a per page cost of $46.47.

The Public Printer further stated that, because GPO has the data base of the main edition of the Code and will have the data bases for the Supplements, it is estimated that if present (1979) techniques are used the cost of typesetting the Code will be reduced by 20 percent from $46 per page to $37 per page. He also stated that if the proposed new automated system were to be used, the cost would be reduced to $15 per page.

Following approval of the automated system, installation and operation of the system began in late 1981. The system became fully operational commencing with Supplement I (1983).

It is conservatively estimated that Supplements I to V (1983 to 1987) will total 33,000 pages (Supplements I to V for 1977 to 1981 totaled 35,000 pages) and the 1988 main edition will be 38,000 pages, for a total of 71,000 pages over the 6-year Code publication cycle—an annual average of 11,833 pages.

Our current annual direct labor cost (keyboarding, proofreading and revising, and computer operation) to produce typeset pages is $204,000. Dividing annual cost ($204,000) by annual average number of pages (11,833) results in a per page cost of $17.25. To that is added an additional $1.50 per page to cover the estimated GPO cost for photocomposer and processor runs (including material), for a total per page cost of $18.75. If the 1979 estimate of the new system page rate of $15 were to be increased by the cumulative effect of the cost-of-living pay adjustments since 1979 (which total 31.4 percent), the $15 rate would be increased to $20.53.

Projected costs over the 6-year Code publication cycle (1983–1988) are $1,331,250, based on 71,000 pages at $18.75 per page.

The GPO cost for typesetting 71,000 pages at the 1979 rate of $37 per page, using the old system, would be $2,627,000. On this basis, 6-year savings from use of the automated system total $1,295,750, an annual average of $216,000.

If the 1979 GPO rate of $37 were to be increased by the same percentage of cost-of-living adjustments referred to above, the $37 rate per page would be increased to $50.65. Thus, the cost of typesetting 71,000 pages at $50.65 would be $3,596,500, and savings from use of the automated system would total $2,265,000 or an annual average of $377,600.

In the two preceding paragraphs, the GPO cost is based on the $37 rate, or the $37 rate as adjusted, for all pages although GPO estimated that its 1979 rate for new material would be at the rate of $61 per page.

LEGAL COMPUTER SERVICES

Question. Provide information relating to the types of legal computer services within the Executive Branch.

Response. There are two systems within the Executive Branch providing legal computer services.

The system in existence the longest is FLITE, Federal Legal Information Through Electronics. FLITE is operated for the Department of Defense by the Judge Advocate General of the Department of the Air Force, and is located in Denver. There are numerous data bases searchable by FLITE and additional data bases are added periodically. A listing of searchable data bases appears in the latest quarterly FLITE Newsletter, dated December 1985.

Research service by FLITE is available without charge to the staffs of the President (including his Executive Office), the Congress (including the Congressional Research Service and the General Accounting Office), the Department of Defense (including components), the Coast Guard, and the Supreme Court. Other Federal agencies are charged a fee which varies with the number of data bases searched. The fee for most FLITE searches is either $35 or $65. A printout of the results of a search are mailed to the person requesting the search.

JURIS, Justice Retrieval and Inquiry System, is operated by the Department of Justice. A listing of searchable data bases appears in JURIS Bulletins which are published periodically.

JURIS does not provide a research service. Rather, a user or JURIS conducts his own service via a terminal. Results of the search are displayed on the terminal or may be printed out.

Other departments and agencies gain access to JURIS by subscription, the monthly cost being a $50 subscription fee plus $68 for one hour of search time. Additional search hours are at the rate of $68 per hour. It is understood that the United States Attorneys are the largest users of JURIS. Other large users outside the Department of Justice include the Army Corps of Engineers, Defense Logistics Agency, Department of Transportation, and the Federal Energy Regulatory Commission.

For clarification of the record, we send to FLITE a copy of the U.S. Code data base (on tape) once each year. In turn, FLITE forwards a copy of the Code data base (after some preliminary processing) to the Department of Justice for inclusion in JURIS. It is understood that the Department is now contemplating securing the Code data base from GPO because of the time lag in receiving it from FLITE.

AVAILABILITY OF DATA TAPES TO OTHER OFFICES

Mr. **Willett**. A year or so ago, one of the counsel in the House Legislative Counsel's office called up and said, "I am going to be preparing a committee print of Title 10 for the Armed Services Committee. Is it possible you could give us a data tape of Title 10 for use in the publication of a committee print?"

And we said certainly. It took us a half an hour at the most to have it ready, and it was sent over to his office. As a result, with some technical assistance by the programmers or planners at GPO, this 1,100 page Committee Print of Title 10 was virtually cost-free.

Last year, Merchant Marine and Fisheries Committee did a committee print of Title 14, Coast Guard, and Title 46, Shipping. They asked for a data tape containing Titles 14 and 46, and we made it available.

Mr. **Fazio**. That is impressive.

Mr. **Willett**. Virtually cost-free except for the printing costs and the paper

POTENTIAL COST BENEFITS

Mr. **Fazio**. I certainly want to congratulate you. I am particularly interested in tracing the utilization of the work we are investing in here, at some cost. I do not want to limit the program, but I would like to see to all agencies and others who work with the Federal Government benefit from this system. We have some cost benefits to accrue.

Mr. **Willett**. I would be very happy for any direction that the committee could offer in this regard, because we basically have taken the position in the past, if we had the information available and it didn't cost us very much to make it available to the Executive Branch, we are all part of the same government, and we should do it.

Mr. **Fazio**. It might be possible to put it in the Library of Congress' domain and let them get it across the country.

It could become an integrated data base available to legal scholars and lawyers across the country who may not have access to the Department of Justice or the Air Force systems.

Thank you very much.

Mr. WILLETT. I have taken more time than I should have, Mr. Chairman.

Mr. FAZIO. Your enthusiasm is infectious.

OFFICE OF THE LEGISLATIVE COUNSEL

Mr. GUTHRIE. For the Office of the Legislative Counsel, $2,800,000, request includes personnel funding of $2.760 million and non-personnel funding of $40,000. This is the same amount as the fiscal year 1986 appropriation that has been enacted, before the imposed reductions.

Mr. Ward Hussey, Legislative Counsel of the House, is here today to discuss his operations, and I would like to put the table in the record at this particular point and yield to Ward.

[The table follows:]

LEGISLATIVE COUNSEL

[Appropriations, actual expenditures, unexpended balances]

	Fiscal Years		
	1985	1986	1987
Total appropriations	$2,933,000	$2,800,000	$2,800,000
Expenditures	2,510,534	623,341	0
Unexpended balances	422,466	2,176,659	2,800,000

PREPARED STATEMENT OF LEGISLATIVE COUNSEL

Mr. FAZIO. Ward, how can you do the same amount of work for the same amount of money?

Mr. HUSSEY. I have a 12-page statement which you don't want to hear.

Mr. FAZIO. How did you know? [Laughter.]

Without objection, your statement will be entered.

[The statement of Mr. Hussey follows:]

February 19, 1986

Office of the Legislative Counsel
U.S. House of Representatives

Statement of Ward M. Hussey, Legislative Counsel

Mr. Chairman and Members of the subcommittee, it is a pleasure to appear before you again.

I am requesting $2,800,000 for the fiscal year 1987. This is the same as the amount appropriated (before sequestration) for fiscal year 1986. The amount sequestered for that year is $120,400.

The amount requested for personnel funding ($2,760,000) is based on 52 employees, which is the number of employees provided for in the 1982, 1983, 1984, 1985, and 1986 appropriations, but 2 fewer than the 54 employees provided for by the 1978, 1979, 1980, and 1981 appropriations. This figure of 52 employees includes 37 positions for attorneys and 15 administrative, technical, and clerical positions. At the present time we have vacancies in 3 attorney positions. The attorneys for 2 of these positions have been selected and will begin work this summer after they have completed law school. In addition to the attorney vacancies, we have 2 vacancies in support positions, 1 for a legal stenographer and 1 for a Ramseyer specialist.

During the 1st session of the 99th Congress the House Legislative Counsel's Office did work for all 22 standing committees of the House and for 431 Members. Our office completed 7,566 jobs for the committees and individual Members of the House. This was the largest number we have ever completed in the 1st session of a Congress.

While the individual job total showed a sharp percentage increase of almost 19 percent from the 1st session of the 98th Congress (5,962 jobs as contrasted with 5,014 jobs), the percentage increase for committee jobs of over 71 percent was even more marked (the committee jobs increased from 938 to 1,604). Since the bulk of our time is spent on committee jobs, this indicates a significant increase in our output without any increase in the number of positions in the office. These increases are also significant in light of the fact that the number of bills and resolutions introduced in the House has continued the downward trend it has shown in recent Congresses (while the number of public laws enacted has remained fairly constant). Thus, our office is participating in a rising proportion of the legislation introduced, and of the laws enacted.

At this point I would like to mention several significant developments with respect to the computer system which the subcommittee authorized for fiscal year 1984 and which was installed in this office in September 1984. This system is working well and has helped us to turn out more work more quickly without expanding our support staff of legal stenographers. In the spring of 1985, 16 computer terminals were added to our system, making it possible for a terminal to be available to every lawyer and member of the support staff who needs one.

We are currently researching with House Information Systems the possibility of using the computer system to even greater advantage in the future. We hope that our system will be able to generate tables of contents automatically by reading our files for section headings. Also, HIS now has, or plans to have, in its legal data base the text of introduced bills, the United States Code, compilations that have been printed by GPO, and eventually the Statutes-at-Large. We hope to be able to gain access to this material by telephone line and to copy portions of these publications into our Atex system for preparing new drafts, reported bills, and Ramseyers.

The new computer system has already paid for itself not only through the increased productivity of our staff, but also through the direct printing by the Government Printing Office of bills and resolutions from the computer tapes which we supply to them (bypassing the need for the printing office to set this material in type). During the 1st session of the 99th Congress we sent 27,519 pages to print (bills and prints) as compared to 17,460 pages sent to print during the 1st session of the 98th Congress. The steady increase in this use of these tapes is indicated from the following table which shows the number of pages which this office sent to the printing office for direct printing in the 1st session of each of the last 4 Congresses:

PAGES SENT TO PRINT BY THE OFFICE OF THE LEGISLATIVE COUNSEL DURING THE 1ST SESSIONS OF CONGRESS

Congress	Bills, Resolutions, & Committee Prints	Number of Pages
96th, 1st Session	1,682	9,713
97th, 1st Session	1,970	13,411
98th, 1st Session	2,075	17,460
99th, 1st Session	2,457	27,519

The budget request for fiscal 1987 of $2,800,000 consists of $2,760,000 for personnel expenses, and $40,000 for nonpersonnel expenses. In other words, approximately 98.6 percent of the budget request is earmarked for personnel expenses. The main item of nonpersonnel expenses is the item for stationery and supplies, which accounts for $20,000 or one-half of the projected nonpersonnel expenses. What is happening here is that for speed and overnight turn around time, the committees and subcommittees are relying on our laser printer (and on our stationery and supplies) to take care of needs which in the past were taken care of primarily by committee prints prepared by the Government Printing Office. Not only does this use of our facilities speed up the time when the committee or subcommittee may continue its markup, it is far less costly than would be the process of formal printing and binding involved in sending the matter to the printing office.

That takes us to the main item involved in the budget request, the $2,760,000 requested for personnel expenses. In this time of belt tightening, it may be desirable to set forth for those who are not familiar with all aspects of the operation of the Office of the Legislative Counsel of the House of Representatives a summary of its role in the legislative process.

The Office was established early in 1919 in response to a perceived need of the House to have trained drafters assist the Members in performing their primary responsibility, the writing of laws. That was the function of the Office when it was established and that is its function today. Our main job is to assist the committees and subcommittees of the House (and conference committees) and the individual Members in framing bills and resolutions, and amendments thereto, which will be constitutionally and legally sound, will be clear and understandable, will be workable, and will not lead to needless and expensive litigation as to the meaning of the provisions of the legislation or as to how they fit together internally and with other Federal and State laws.

The Office is headed by the Legislative Counsel, who is appointed by the Speaker without regard to political affiliation and solely on the basis of fitness to perform the duties of Legislative Counsel. Other members of the legal staff, and the members of the supporting staff, are appointed by the Legislative Counsel, with the approval of the Speaker. The appointments are made without regard to political affiliation, and solely on the grounds of fitness to do the job.

From the start the Office has aimed at building a career service of nonpartisan professionals. For this it is necessary to select the best people, give them rigorous training, promote them within the existing salary structure as they learn their skills, and hope that they will be willing to make a long-term commitment to the Office and to the House.

The Office has had 4 Legislative Counsels in the 67 years it has been operating. Today we have 34 lawyers with an aggregate of 343 years in the Office. The value of retaining this type of expertise cannot be overemphasized. Drafting skills can be learned only by drafting. At first this should be done under the supervision of a more senior drafter. But the good drafter keeps learning all the time he or she is in the Office--adding constantly to his or her ability to spot problem areas and adding to a memory bank of how similar problems have been solved in the past.

I said earlier that we select the best people. Our attorneys do not come from any 1 law school. In fact, our 36 attorneys (including the 2 who will start this summer) graduated from 19 law schools in all parts of the country.

When we have vacancies, we send a representative to a number of law schools to interview the third year students and to select those most suited for our work. The best are then interviewed again at our Office. We look for students in the upper third of their class (not necessarily those on the law review) who have consistent and improving law school records, who have the ability to analyze difficult legal problems combined with common sense, who are able to see all sides of each issue and are not opinionated, who are articulate orally and in their legal writings, and who like people. We have found that many of these traits can best be assessed in a group interview by most of the lawyers in the Office, where the experience of those being questioned is somewhat akin to the grilling they will undergo the first time they present one of their drafts to an interested committee. This is supplemented by one-on-one meetings with the members of our legal staff, particularly the younger lawyers on our staff who are able to share their recent experiences and are often uniquely qualified to assess whether the applicant has the necessary qualifications for the job.

The next step is the tutorial process. The new attorney will be assigned a senior attorney as a tutor. The new attorney will handle the client relations on each job from the start, but in this and in the drafting the tutor will be questioning, suggesting alternatives, and reviewing each draft before it leaves the Office. The new attorney will be given easier assignments for individual Members to start with--private relief bills, immigration bills, and sense of the House or the Congress resolutions. As problem solving and drafting skills progress, the attorney will become ready for more difficult assignments for individual Members: Constitutional amendments, grant in aid programs, regulatory legislation, and eventually large projects involving the rewriting of a whole area of the law or a completely new legislative initiative. Towards the end of this tutorial process the trainee will spend part of the time assisting a senior attorney in framing legislation for a subcommittee or committee of the House. Usually after two years of this apprenticeship, the new attorney is ready to solo on a subcommittee or committee project and to continue the learning process at perhaps an accelerated pace.

The calibre of the people we select, and the intensive training they receive, makes them targets for those seeking attorneys. We lose attorneys--mostly to committee staffs and to private practice (particularly those who have children who will be going to college in the near future). In 1985, for example, one attorney left us to join the majority staff of the Committee on Banking, Finance and Urban Affairs, a second left us to join the minority staff of the Energy and Commerce Committee, and a third left us to join the staff of a Federal court of appeals. These 3 attorneys had a total of 25 years of drafting experience. Their leaving creates holes which in some cases will take many years to fill completely. The departures also add to the difficulties of projecting budgetary needs with pinpoint accuracy.

As you know, the Congress does not write laws at a steady pace, so many pages each day. In any Congress there are a number of periods when the demands for our services are the heaviest. The work we do for individual Members peaks during the weeks just before and after the opening day of the 1st session and there is a second, lower peak around the beginning of the second session. There are other peaks as attention turns to each new issue (whether because of news events or because of the pendency of legislation in that area). In the recent past, committee and subcommittee work has peaked during the 2 months before May 15 (the deadline set by the budget for new authorizations for the coming fiscal year). Amendments for consideration on the floor, conference action, and drafting work generally reach a peak during the closing weeks of each session. In the last 3 weeks of the 1st session of this Congress, for example, our Office was turning out work on a 7-day week basis--and most of these days were 24 hour marathons for many of our attorneys.

This fluctuation in the workload, when coupled with the fact that over the years there has been a rapid increase in the requests for our services, makes it difficult to determine almost 3 years in advance what number of attorneys will be precisely right for all peaks and valleys of the legislative drafting load. (I say 3 years in advance because the appropriation process from the time of the initial request is approximately 1 year, and because our training process takes approximately 2 years). Of course, from the standpoint of speedy service to the committees and Members, it would be best to aim to serve the peak periods. However, this would lead to overcapacity during the non-peak periods.

Our policy has been to try to have the number of attorneys needed to serve the House adequately and efficiently at a level which is a little below the midpoint between the valleys and the peaks. This of course necessitates very heavy overtime in the nights and weekends during the various peak periods, and requires that some of the less urgent drafting requests which come into the Office during these periods be put off until the peak demands are reduced. However, thus far this policy has permitted us to meet all of the pressing needs of the House for our services as they arise without finding ourselves overstaffed at any time.

I have been here for 39 of the 67 years of the Office's existence. To the best of my knowledge, throughout the entire history of the Office there have been no widespread complaints about the quality of our work. In fact, the only reason for dissatisfaction of which I am aware (which was expressed principally in the late 1960's and early 1970's) was that many in the House felt that we were seriously understaffed and that this was leading to undesirable delays in turning out work and our inability to give some committees and Members the timely drafting help they wanted.

This in turn led to a recodification of our legislative mandate in title V of the Legislative Reorganization Act of 1970 and to the appointment of the House Commission on Information and Facilities to conduct a study of the Office to determine the staff required to furnish us with a capability to meet the needs of the Members of the House.

The Commission's study was made in depth. The staff of the Commission interviewed representatives of the staffs of all standing committees of the House. The chairman of the Commission addressed written inquiries to each Member of the House. The Commission also reviewed the internal operations of the Office.

The Commission reported the results of its study in 1975 (House Document Number 94-327). While the Commission found general satisfaction among Members and committees with both the quality of work and the adequacy of service of the Office, the

Commission found that the increasing workload of the Office had resulted in a situation in which the Office was not able to fully meet the needs of the Members of the House at all times. Some Members had found it necessary to look elsewhere for bill drafting assistance, while other Members and committees had exercised restraint in seeking the services of the Office because of delays resulting from excessive workload or understaffing and because of a humane relunctance to impose further burdens. To remedy this situation, the Commission recommended that we should expand to at least 40 attorneys by 1980.

In response to the criticisms and the recommendations of the Commission we have refined the recruiting and training program outlined above. This program, coupled with the fact that the turnover rate has been cut down, has enabled us to fill the needs for drafting help without expanding our attorney staff to the level recommended by the Commission as a minimum goal for 1980.

It is interesting to note that the 37 attorneys provided for in our budget request for 1987, while 3 fewer than the 40 attorneys recommended for 1980 by the Commission, will be facing a much heavier workload than even the Commission envisaged in 1975. In 1975, for the 1st session of the 94th Congress, we did 3,050 individual jobs while in 1985 we did 5,962 individual jobs for an increase of 95.4 percent. The percentage increase for committee work was even greater. In 1975 we did 747 committee jobs and in 1985 1,604 committee jobs--a 114.7 percent increase in committee work.

If we do not keep our staff at the optimum level (consistent with rigorous economy) the unfilled needs of the committees, subcommittees, and Members for drafting assistance will have to be supplied from other sources. To the extent they are supplied by unskilled drafters, the cost to the country in badly drafted laws will be impossible to quantify. To the extent they are supplied by outside skilled drafters (who are hard to find) the operation will be inherently inefficient. Because if we have peaks and valleys in our work for the whole House, the average committee or subcommittee of the House has even sharper peaks and deeper valleys in its law writing role. This last year's most time-consuming projects--such as deficit reduction, defense, agriculture, superfund, and tax reform--will not necessarily be next year's top areas for drafting services. It would be interesting to compare the drafting hours which went into energy legislation in the late seventies with the attention devoted to that area in 1985.

The advantage of our Office is that our drafters, who receive their basic training in all areas of Federal legislation, are able to quickly shift their endeavors to new areas as the House's needs for their services shift.

That completes my prepared statement. I shall, of course, be happy to answer any questions you may have.

Brief Statement From Mr. Hussey

Mr. Hussey. We have 34 lawyers with 343 years of drafting experience, and that averages 10 years a man or woman—we have 6 women on our legal staff. Drafting is like a coral reef.

Drafting experience grows gradually. Each bill you work on adds something to the core. Agriculture will call up and want a bill, and we will know the problems and the solutions.

We are lucky; because of this experience we are able to do more and more work. The statement shows we are doing more and more work with the same number of people. Our budget has been flat or going down for the last four years, because these people are much more skillful than they were.

INCREASED WORKLOAD

Mr. Fazio. Is your workload declining?

Mr. Hussey. Our workload is going up very rapidly. We worked for all 22 standing committees of the House, and for 431 individual members in the First Session. Our individual load was up about 20 percent, and our committee work was up 71 percent, over the First Session of the last Congress.

Our people are really turning out work, and I think that to cut any more would get into muscle and bone.

Mr. Fazio. I understand you lost Paul Smith to the Energy Committee.

Mr. Hussey. Yes, sir, we did. He was a real bulwark over there.

Mr. Fazio. How do you replace somebody like that?

Mr. Hussey. We send out recruiters to law schools. Paul Smith came from the University of Southern California. We sent somebody out there and found a replacement for him.

Paul Smith is an excellent lawyer.

Mr. Fazio. He is indeed.

Mr. Hussey. We pick these people out and train them for two years in the tutorial system and put them to work, and they keep learning, the learning curve goes up and up.

Mr. Fazio. We wish you well.

Energy is a subject that will increase once again in our area of concern, and probably overwork you before you know it.

Mr. Hussey. If it isn't energy, it is some other subject, and we are delighted with the variety.

Mr. Fazio. We appreciate the good work that you and your associates do. Hopefully, we will be able to match our appropriations of last year, if we don't get sequestered.

Mr. Myers. Do you just do work for committees? What has contributed to your tremendous increase in workload?

Mr. Hussey. Because our people are available to do it, Mr. Myers. There are a lot of committees and subcommittees that wanted to use us, but they didn't because they knew we were busy.

The fact is that we are getting more utilization from the committees who traditionally used us, but also new committees are coming aboard. Agriculture never used to use us, but with the big Agriculture bill last year, we had three lawyers working full-time for Agriculture, which threw our schedule out of whack.

Mr. MYERS. You are going to claim some parenthood for that bill? Got a better example?

Mr. HUSSEY. We have nothing to do with policy. We were delighted to work with them, because it was a tough bill to work out.

STARTING SALARY FOR ATTORNEYS

Mr. MYERS. When you hire a young attorney, what do you have to pay an attorney these days?

Mr. HUSSEY. Our starting salary is $34,000, which is considerably below the private sector, but we find some people who just want to work for the government. We hope we can keep them here and keep on working for the government, keep their enthusiasm up.

The main problem is when they have children, and they get ready to go to college, that is when we lose our good people because we can't match the private sector. Our lawyers get training that can be used outside, and when college expense looms up, our best people are liable to leave.

DISCUSSION OF REDUCING WORKLOAD AND EFFECT OF GRAMM-RUDMAN

Mr. MYERS. You are going to have to devise a system for a clearinghouse, or you are going to be burdened, instead of remaining level, you will start going up, if we don't find some way of reducing the workload that is being piled upon you.

Mr. HUSSEY. Under the statute setting up our office the Speaker has authority to ration people, in effect. Fortunately, I have never had to ask him to use it, and I think that would be very bad for the House.

Mr. MYERS. Gramm-Rudman is all about rationing funds.

Mr. HUSSEY. A few people would like to have that particular bill rationed.

Certainly, the work that has been done by your office is qualifying and sufficient to satisfy these very high standards.

The Appropriations Committee is giving you some of that new workload.

Mr. HUSSEY. Right, and over the years, I have been amazed with the fine job that the Appropriations staff does. They burn the midnight oil, too.

Mr. FAZIO. Thank you for joining us. Mr. Hussey. Let's proceed.

SIX MINORITY EMPLOYEES

Mr. GUTHRIE. For six minority employees, and for the Democratic Steering Committee and Caucus, the Republican Conference, and other authorized employees, I would like to insert tables in the record at this particular point.

[The tables follows:]

SIX MINORITY EMPLOYEES

For payment of salaries of the Six Minority Employees, $434,000. This request within the FY '86 appropriation.

SIX MINORITY EMPLOYEES

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$431,000	$434,000	$434,000
Expenditures	397,583	100,750	0
Unexpended balances	33,417	333,250	434,000

THE HOUSE DEMOCRATIC STEERING COMMITTEE AND CAUCUS

For salaries and expenses of the House Democratic Steering Committee and Caucus, $700,000. The amount requested includes $680,300 for personnel and $19,700 for nonpersonnel items. An increase of $83,000 over the FY '86 appropriation is attributed to the two statutory positions approved in Section 103 of Public Law 99-151.

The House Democratic Steering Committee and the House Democratic Caucus are each entitled to a Lump Sum Allowance and a Statutory Allowance. For the purposes of illustration, I have included the consolidated and individual tables which show actual and estimated appropriations and expenditures.

THE HOUSE DEMOCRATIC STEERING COMMITTEE AND CAUCUS

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$578,000	$617,000	$700,000
Transfer in	17,500		
Expenditures	592,771	146,706	0
Unexpended balances	2,729	470,294	700,000

THE HOUSE DEMOCRATIC STEERING COMMITTEE

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$440,300	$479,100	$562,000
Transfer in	17,500		
Expenditures	456,812	113,374	0
Unexpended balances	988	365,726	562,000

THE HOUSE DEMOCRATIC CAUCUS

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$137,700	$137,900	$138,000
Expenditures	135,959	33,332	0
Unexpended balances	1,741	104,568	138,000

THE HOUSE REPUBLICAN CONFERENCE

For salaries and expenses of the House Republican Conference, $700,000. The amount requested includes $661,600 for personnel and $38,400 for nonpersonnel items. An increase of $83,000 over the FY '86 appropriation is attributed to the two statutory positions as approved in Section 103 of Public Law 99-151.

The House Republican Conference is entitled to a Lump Sum Allowance and a Statutory Allowance. In order to maintain parity, the allowances and overall appropriations are equal to those of the House Democratic Steering Committee and Caucus.

THE HOUSE REPUBLICAN CONFERENCE

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$578,000	$617,000	$700,000
Transfer in	17,500		
Expenditures	585,486	145,541	0
Unexpended balances	10,014	471,459	700,000

OTHER AUTHORIZED EMPLOYEES

For the payment of salaries for Other Authorized Employees, $1,135,000. Mr. Chairman, this includes $47,000 for the Technical Assistant in the Office of the Attending Physician, $784,000 for L.B.J. Interns, and $197,000 for the Former Speaker's staff. In addition, $107,000 is funded for Leadership Drivers. I would like to insert for the record a consolidated table and individual tables showing appropriations, actual expenditures and unexpended balances.

OTHER AUTHORIZED EMPLOYEES

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$992,000	$994,000	$1,135,000
Expenditures	943,124	85,455	0
Unexpended balances	48,876	908,545	1,135,000

TECHNICAL ASSISTANT IN THE OFFICE OF THE ATTENDING PHYSICIAN

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$45,000	$47,000	$47,000
Expenditures	43,965	11,084	0
Unexpended balances	1,035	35,916	47,000

L.B.J. INTERNS AND FORMER SPEAKER'S STAFF

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$850,000	$850,000	$981,000
Expenditures	802,760	49,630	0
Unexpended balances	47,240	800,370	981,000

LEADERSHIP DRIVERS

[Appropriations, actual expenditures, unexpended balances]

	Fiscal year—		
	1985	1986	1987
Total appropriations	$97,000	$97,000	$107,000
Expenditures	96,399	24,741	0
Unexpended balances	601	72,259	107,000

COMMITTEE EMPLOYEES

For payment of salaries for professional and clerical employees (Clause 6 of Rule XI) of House committees, including the Committee on Appropriations and the Committee on the Budget, $51,135,000. The authorized funding level of this account is $63,163,000 therefore our request is 81 percent (81%) of the authorization.

Mr. GUTHRIE. I would like to include tables relating to Committee Employees at this particular point.

[The tables follow:]

COMMITTEE EMPLOYEES

Clause 6 of Rule XI of the Rules of the Hose authorizes 18 professional and 12 clerical employees for each of twenty-one (21) House committees. For these 21 committees of the House, there are 630 authorized and clerical employees. The Committees on Appropriations and the Budget are excluded from the "18–12" rule and employ such staff as they require. As of December 31, 1985, the Committee on Appropriations had 178 staff and the Committee on the Budget had 109.

The committee employees paid from this appropriation are augmented by investigative staff paid from "Standing Committees, Special and Select" funds appropriated as a part of the Contingent Fund. I shall discuss that request in more detail when we reach that portion of the hearing.

House rules provide that up to two professional staff members on each standing committee may be paid at a rate equal to Executive Level IV (currently $72,800). The maximum salary for other committee employees is Executive Level V (currently $68,700).

The following table lists the actual FY '85 salaries for the various Standing Committees:

Fiscal year 1985 salaries for standing committees

Committee	*Salary*
Agriculture	$1,477,187
Armed Services	1,365,434
Banking, Finance and Urban Affairs	1,157,731
District of Columbia	1,460,136
Education and Labor	1,591,210

Committee	*Salary*
Energy and Commerce	1,709,665
Foreign Affairs	1,747,838
Government Operations	1,119,097
House Administration	1,245,981
Interior and Insular Affairs	1,698,763
Intelligence	982,017
Judiciary	1,606,280
Merchant Marine and Fisheries	1,385,813
Post Office and Civil Service	1,535,400
Public Works and Transportation	1,682,021
Rules	1,356,140
Science and Technology	1,524,654
Small Business	1,229,150
Standards of Official Conduct	371,619
Veterans' Affairs	931,389
Ways and Means	1,736,035
Subtotal	28,913,560
Appropriations	7,746,753
Budget	4,524,673
Subtotal	12,271,426
Total	[1] 41,184,986

[1] Does not include credits.

The expenditures in this account rose from $3,185,00 in October 1984 to $3,566,000 in September 1985, an increase of $381,000.

COMMITTEE EMPLOYEES

	Fiscal year—		
	1985	1986	1987
Total appropriations	$41,619,000	$44,325,000	$51,135,000
Sequester (P.L. 99-177)		−1,906,000	
Expenditures	41,006,060	10,525,257	0
Unexpended balances	612,940	31,893,743	51,135,000

COMMITTEE ON APPROPRIATIONS

Mr. GUTHRIE. For salaries and expenses, studies and examinations of executive agencies, and temporary personal services for the Committee on Appropriations, including reimbursement to agencies for services performed, $4,300,000. This increase of $25,000 over the FY '86 appropriation is attributed to increased costs for the current level of service. I will include the table at this particular point.

[The table follows:]

COMMITTEE ON APPROPRIATIONS (STUDIES AND INVESTIGATIONS)

	Fiscal year—		
	1985	1986	1987
Total appropriations	$4,315,000	$4,275,000	$4,300,000
Sequester (P.L. 99-177)		−184,000	
Expenditures	3,624,260	429,211	
Unexpended balances	690,740	3.661,789	4,300,000

COMMITTEE ON THE BUDGET (STUDIES)

Mr. GUTHRIE. Committee on Budget, salaries and expenses and studies, $329,000, Mr. Chairman. The Budget Committee is requesting the same amount for fiscal year 1987 as was enacted in fiscal year 1985. Pacing of their electronic equipment acquisitions and changes in their administrative management techniques have allowed them to hold the line in 1985.

Please insert the table for the Committee on the Budget in the record.

[The table follows:]

COMMITTEE ON THE BUDGET (STUDIES)

	Fiscal year—		
	1985	1986	1987
Total appropriations	$329,000	$296,000	$329,000
Sequester (P.L. 99-177)		−13,000	
Expenditures	291,953	66,967	
Unexpended balances	37,047	216,033	329,000

MEMBERS' CLERK HIRE

Members' Clerk Hire, for payment of employee salaries for performing official duties in the Members' office $173,559,000, which will fully fund the current authorization.

I would like to insert the table for the record.

[The table follows:]

The Office of Finance has analyzed Clerk Hire usage in 1985 and found the following: (1) During 1985, Members' Clerk Hire expenditures increased by 2.4% over the amount spent in 1984. (2) The average annual salary of Members' staffs in 1985 was $22,992 for permanent employees and $7,778 for nonpermanent employees. The actual dollar amount spent for nonpermanent employees continues to be less than 5% of the total salary expenditures for Clerk Hire. (3) Of the total positions available on a monthly basis to Members, an average of 81.5% or 7,885 were used out of a possible 9,680. (4) In December 1985, there were 7,721 persons employed on Clerk Hire roles.

Net transfers between allowances showed a substantial increase this year. Transfers from Clerk Hire to the Official Expenses Allowance were $1,127,426 higher ($2.2 million total) than in 1984, and $145,305 higher than in 1983, the first year that transfers between both allowances were available. The transfer limit was increased from $30,000 to $40,000 in 1985, which would account for some of this increase. Twenty-four Members transferred the entire $40,000 to the Official Expenses Allowance, and three Members transferred $40,000 into Clerk Hire.

The percentage of Members who transferred went from 66% to 75% in 1985 but was still 10% less than the 85% who made transfers in 1983. A total of 332 Members transferred either from or to Clerk Hire.

MEMBERS' CLERK HIRE

	Fiscal year—		
	1985	1986	1987
Total appropriations	$166,762,000	$166,762,000	$173,659,000
Sequester (P.L. 99-177)		−7,171,000	
Expenditures	163,735,442	43,541,820	

MEMBERS' CLERK HIRE—Continued

	Fiscal year—		
	1985	1986	1987
Unexpended balances	3,026,558	116,049,180	173,659,000

CONTINGENT FUND

Mr. GUTHRIE. Mr. Chairman, I will now present for the Subcommittee's consideration a group of accounts and line items commonly referred to as the Contingent Fund of the House. The word "contingent" in the heading is often misunderstood. Funds in this section are not requested to cover unforeseen expenses or chance obligations. Rather, the estimates pertain to specifically authorized or approved programs.

Approximately 67% of the Contingent Fund estimates relate to the Members' Official Expenses and Standing Committees, Special and Select.

At this point I would like to insert several tables in the record.

[The tables follow:]

ALLOWANCES AND EXPENSES

OFFICIAL EXPENSES OF MEMBERS

For Official Expenses of Members, $85,000,000. Appropriations for this account cover the ordinary and necessary official nonpersonnel expenses which Members incur in performing their representational duties. The full authorized funding level for this account is requested.

The FY '87 estimate originally was requested at the FY '86 enacted appropriation of $81,000,000. An additional $4 million was requested to fully fund this item.

ALLOWANCES AND EXPENSES

	Fiscal year—		
	1985	1986	1987
Total appropriations	$128,837,000	$133,426,000	$150,573,000
Transfer out	35,000		
Sequester (P.L. 99-177)		−5,737,000	
Espenditures	116,477,687	18,142,463	
Unexpended balances	12,324,313	109,546,537	150,573,000

OFFICIAL EXPENSES OF MEMBERS—APPROPRIATIONS, ACUAL EXPENDITURES, UNEXPENDED BALANCES

	Fiscal year—		
	1985	1986	9187
Total appropriations	$73,803,000	$81,000,000	$85,000,000
Expenditures	65,638,769	12,155,385	
Unexpended balances	8,164,231	68,844,615	85,000,000

SUPPLIES, MATERIALS, ADMINISTRATIVE COSTS

For Supplies, Materials, Administrative Costs and Federal Tort Claims, $25,881,000. The increase in this account is primarily due to the one-time cost to the House for the purchase of its own telephone system. The initial capital outlay represents an investment which will yield long term savings. The Clerk's office has prepared a ten year table estimating the replacement cost vs. current cost to the House. By 1990 it is projected that the House will have recognized savings of $6.4 million. By 1996 the projected savings over a ten year period are $60.3 million. We are estimating $15.6 million for Fiscal Year 1987 telecommunication costs. This figure is based on installation and operation of the new system by January 1, 1987. If completion is delayed beyond this date, we must continue to pay for the use of our current system at a rate of $500,000 per month. For this reason, the $15.6 million would be insufficient and we would have to request supplemental funding to cover the shortfall. The Clerk's Telecommunications Coordinator, Susan Zeleniak, is here today to answer any questions that you may have on the switching equipment or savings.

These and other funds are appropriated for items which cannot be directly charged to another allowance or authorization. Some of the larger items are unemployed and workers' compensation, publications and subscriptions for the House Chamber lobby, photo supplies for identification cards for House employees, laundry expenses for the Superintendent of Buildings, payment for Members' copies of the United States Code, parking lot expenses, administrative telephone expenses, and computer reimbursements to House Information Systems (H.I.S.) for House Officers.

The following analysis compares the increases and decreases in the FY '87 request with amounts appropriated for FY '86.

SUPPLIES, MATERIALS, ADMINISTRATIVE COSTS AND FEDERAL TORT CLAIMS—ANALYSIS OF INCREASES/DECREASES

	1986	1987	Increase/decrease
Supplies and Materials	$2,322,000	$2,665,000	$343,000
Compensation Claims, U.S. Department of Labor	3,005,000	2,500,000	−505,000
Administrative Costs:			
Telephone	5,311,000	15,605,000	10,294,000
Stationery	708,000	722,000	14,000
Equipment	733,000	−819,000	−1,552,000
Postage	5,000	5,000	0
Computer	4,862,000	5,203,000	341,000
Total	16,946,000	25,881,000	8,935,000

SUPPLIES, MATERIALS, ADMINISTRATIVE COSTS AND FEDERAL TORT CLAIMS APPROPRIATIONS, ACTUAL EXPENDITURES, UNEXPENDED BALANCES

	Fiscal year—		
	1985	1986	1987
Total appropriations	$18,160,000	$16,946,000	$25,881,000
Transfer out	−35,000		
Expenditures	14,892,671	−2,729,549	0
Unexpended balances	3,232,329	19,675,549	25,881,000

FURNITURE AND FURNISHINGS

For Furniture and Furnishings, $1,475,000. This appropriation funds the acquisition of furniture, carpets, draperies, lamps file cabinets, and other furnishings which the Office of the Clerk provides the House office buildings, the two annexes and the House side of the Capitol. Also, funds are included for supplies, materials and tools used by the various shops operating under the Clerk's Property Supply and Repair Service.

Mr. Chairman, this request represents a $475,000 increase from the FY '86 appropriations primarily attributable to the continuation of a program of furniture standardization and the anticipated costs attendant to the commencement of the 100th Congress.

The funds requested for FY '86 are budgeted as follows:

1. Supplies and materials	$460,000
2. Furniture and equipment	530,000
3. New carpet	375,000
4. Purchase of drapery material, cleaning, etc	110,000
Total	1,475,000

FURNITURE AND FURNISHINGS APPROPRIATIONS, ACTUAL EXPENDITURES, UNEXPENDED BALANCES

	Fiscal year—		
	1985	1986	1987
Total appropriations	$1,270,000	$1,000,000	$1,475,000
Expenditures	1,264,352	67,807	0
Unexpended balances	5,648	932,193	1,475,000

STENOGRAPHIC REPORTING OF COMMITTEE HEARINGS

For Stenographic Reporting of Committee Hearings, $650,000. The request is $50,000 greater than the original FY '86 amount testified before the Subcommittee last year. The need for an increase is due to anticipated labor rate increases which will raise page rates.

This request includes costs of stenographic services and transcripts covered by commercial reporting firms in connection with any meetings or hearings of a committee, including Standing Committees, Special and Select. We prefer to use our own House reporters, but are unable to staff all hearings. Bids will be solicited again in the Fall of 1986 for the two year period covering the 100th Congress.

STENOGRAPHIC REPORTING OF COMMITTEE HEARINGS APPROPRIATIONS, ACTUAL EXPENDITURES, UNEXPENDED BALANCES

	Fiscal year-		
	1985	1986	1987
Total appropriations	$500,000	$500,000	$650,000
Expenditures	499,246	54,806	0
Unexpended balances	754	445,194	650,000

REEMPLOYED ANNUITANTS REIMBURSEMENT

For Reemployed Annuitants Reimbursement, $750,000. These funds are required to compensate the Civil Service Retirement Fund for an amount equal to the annuities paid employees who retired under the Civil Service Retirement System and then accepted House employment. This is a $450,000 decrease or 58% less than appropriated in FY '85 due to the declining number of reemployed annuitants. Since FY '84 the appropriation for this account has decreased by more than 67%.

REEMPLOYED ANNUITANTS REIMBURSEMENT APPROPRIATIONS, ACTUAL EXPENDITURES, UNEXPENDED BALANCES

	Fiscal year—		
	1985	1986	1987
Total appropriations	$1,782,000	$1,200,000	$750,000
Expenditures	940,452	207,666	0
Unexpended balances	841,548	992,334	750,000

GOVERNMENT CONTRIBUTIONS

For Government Contributions, $36,195,000. As of January 31, 1986, there were 6,768 in the Civil Service Retirement Program, 4,990 in F.I.C.A., and 539 were participating in the Supplemental Retirement Program.

The funds for this account are used to pay the Government's (House) share of various employees programs. The programs are categorized as follows:

	Fiscal year—		
	1985 actual	1986 actual [1]	1987 estimate
Civil service retirement	$17,930,335	$4,348,629	$17,932,000
Medicare	3,655,849	801,635	3,816,000
Social Security FICA	3,491,716	1,189,883	5,700,000
Health benefits	7,279,925	1,833,375	8,148,000
Life insurance	557,367	139,503	599,000
Total	32,915,192	8,313,025	36,195,000

[1] Includes 1st quarter figures.

GOVERNMENT CONTRIBUTIONS APPROPRIATIONS, ACTUAL EXPENDITURES, UNEXPENDED BALANCES

	Fiscal year—		
	1985	1986	1987
Total appropriaitons	$32,822,000	$32,158,000	$36,195,000
Expenditures	32,915,192	8,313,025	0
Unexpended balances	−93,192	23,844,975	36,195,000

MISCELLANEOUS ITEMS

For Miscellaneous Items, $622,000. This is the same amount as enacted in Fiscal Year 1986. These funds include gratuities paid to the widow, widower or heirs-at-law of deceased employees of the House, for which we are requesting $522,000. Also appropriated are $45,000 for expenditures including but not limited to the purchase, exchange, maintenance, repair, and operation of House motor vehicles. In addition, $55,000 is included for Interparliamentary Receptions as authorized by law.

MISCELLANEOUS ITEMS APPROPRIATIONS, ACTUAL EXPENDITURES, UNEXPENDED BALANCES

	Fiscal year—		
	1985	1986	1987
Total appropriations	$500,000	$622,000	$622,000
Expenditures	327,006	73,363	0

MISCELLANEOUS ITEMS APPROPRIATIONS, ACTUAL EXPENDITURES, UNEXPENDED BALANCES—Continued

	Fiscal year—		
	1985	1986	1987
Unexpended balances	−172,994	548,637	622,000

STANDING COMMITTEES, SPECIAL AND SELECT

Mr. Chairman, the request for Standing Committees, Special and Select for FY '87 is $50,211,000. This is an increase of $3,251,000 over the enacted FY '86 appropriation. These funds are used to pay the investigating staffs of Standing and Select Committees. In addition to personnel, they are used for nonpersonnel expenditures which are chargeable to the committees' funding resolutions. The following summary of past years' authorizations gives an illustration of the amounts available through funding resolutions:

Calendar year	*Authorization*
1983—1st Session, 98th Congress	$43,243,823
1984—2nd Session, 98th Congress	45,815,766
1985—1st Session, 99th Congress	48,013,205
1986—2nd Session, 99th Congress	43,628,582

The funding for committees is authorized on a calendar year basis and appropriated on a fiscal year basis. As you know, Mr. Chairman, each committee is required to annually present its budget justifications to the Committee on House Administration. Due to the provisions in the Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings) reducing the FY '86 enacted appropriation by 4.3% and based on the first quarter FY '86 spending, it has become necessary for the Committee on House Administration to impose limitations on each committee's annual funding authorization. The House has adopted a primary expense resolution which will ensure committee spending levels to stay within the revised Fiscal Year 1986 appropriation.

I would like to insert for the record a statement showing the various committee investigative funds authorized by the House during the First Session, Ninety-ninth Congress, as of December 31, 1985. This statement also shows the amounts expended and the unexpended balances.

STANDING COMMITTEES, SPECIAL AND SELECT

	Fiscal year—		
	1985	1986	1987
Total appropriations	$45,667,000	$46,960,000	$50,211,000
Sequester (P.L. 99–177)		−2,019,000	
Expenditures	44,117,321	12,528,652	0
Unexpended balances	1,549,679	32,412,348	50,211,000

STANDING COMMITTEES, SPECIAL AND SELECT—99TH CONGRESS, 1ST SESSION, JAN. 3, 1985 THROUGH DEC. 31, 1985

Committee	Amount authorized	Amount expended	Balance available
Agriculture	$1,489,556.00	$1,401,893.17	$87,662.83
Armed Services	1,464,549.00	1,357,892.60	106,656.40
Bank, Finance and Urban Affairs	2,848,653.00	2,597,651.09	251,001.91
District of Columbia	305,354.00	278,131.49	27,222.51
Education and Labor	3,141,584.00	2,937,906.48	203,677.52
Energy and Commerce	4,640,970.00	4,558,707.83	82,262.17
Foreign Affairs	2,589,086.00	2,572,814.26	16,271.74

STANDING COMMITTEES, SPECIAL AND SELECT—99TH CONGRESS, 1ST SESSION, JAN. 3, 1985 THROUGH DEC. 31, 1985—Continued

Committee	Amount authorized	Amount expended	Balance available
Government Operations	2,664,122.00	2,659,906.71	4,215.29
House Administration	995,000.00	935,889.70	59,110.30
House Information System	8,120,578.00	7,903,315.45	217,262.55
Interior and Insular Affairs	1,602,027.00	1,583,292.38	18,734.62
Judiciary	1,828,705.00	1,783,212.36	45,492.64
Merchant Marine and Fisheries	1,936,948.00	1,819,879.75	117,068.25
Post Office and Civil Service	1,460,218.00	1,340,482.08	119,735.92
Public Works and Transportation	2,100,901.00	1,899,801.98	201,099.02
Rules	585,913.00	529,321.50	56,591.50
Science and Technology	2,164,782.00	2,139,284.40	25,497.60
Small Business	951,181.00	861,019.05	90,161.95
Standards of Official Conduct	150,000.00	25,716.60	124,283.40
Veterans' Affairs	511,378.00	473,282.06	38,095.94
Ways and Means	2,942,170.00	2,893,111.71	49,058.29
Select on Aging	1,454,308.00	1,393,860.57	60,447.43
Select on Children, Youth and Families	721,000.00	680,388.34	40,611.66
Select on Hunger	616,970.00	573,421.78	43,548.22
Select Comm. on Intelligence	64,300.00	50,297.23	14,002.77
Select on Narcotics Abuse and Control	662,952.00	599,995.98	62,956.02
Total	48,013,205.00	45,850,476.55	2,162,728.45

H.I.S. FUNDING FOR 1986 AND 1985 RECEIPTS

Mr. **Fazio**. Outline for us the amount of funding for HIS under the supplies, materials, administrative costs account.

Mr. **Guthrie**. In my statement, under the computer, we are funding some $5.203 million for use of the HIS reimbursement.

Mr. **Fazio**. That is the required reimbursement to HIS from other entities that are under your purview can you piece together their budget from other sources within the Legislative Branch.

Do you happen to know their total budget?

Mr. **Guthrie**. It will also be included in the funding resolution, Mr. Chairman.

Mr. **Fazio**. The base upon which you would build the additional reimbursements to get a total, I would assume?

Mr. **Guthrie**. For the first nine months of 1986, January through September, it is $5,436,556, and for the last three months, it is $1,942,442.

Mr. **Fazio**. Would you help reconstruct an overall budget, from the funding resolution document plus additional budget items that other Legislative Branch agencies would encompass, including this one?

Mr. **Guthrie**. Sure.

Mr. **Fazio**. We should also look at CBO and OTA.

Mr. **Colley**. Would you like an insert for the record, Mr. Chairman?

Mr. **Fazio**. Yes.

Mr. **McGuire**. We should be able to give you a record of current receipts from those sources. Perhaps fiscal year 1985, receipts from all sources, which would include the Office of the Clerk, other offices of the House, CBO.

Mr. FAZIO. Thank you.

[The table follows:]

House Information Systems, 1985 available funds

Clerk of the House	$4,800,000
Congressional Budget Office	2,918,900
Prospective Payment Commission	316,800
General Accounting Office	202,700
Others	120,300
OTA	(35,200)
Law Revision Counsel	(26,400)
House Restaurant	(36,200)
Doorkeeper	(13,500)
CRS	(2,000)
Postmaster	(2,700)
Legislative Counsel	(3,500)
Sergeant At Arms	(800)
Members	21,000
ITT/Dialcom refund	48,800
Total 1985 receipts	8,428,500
1985 funding resolution	8,120,000
Total 1985 available	16,548,500

BALANCE OF HOUSE ACCOUNTS

Mr. FAZIO. Ben, proceed.

Mr. GUTHRIE. At this point, I would like to insert the remaining tables in the record. I am open for any questions on these items. This concludes the Clerk's statement for the fiscal year 1987 House budget and certain joint items.

[The tables follow:]

JOINT COMMITTEE ON TAXATION

The amount requested for salaries and expenses of the Joint Committee on Taxation, $4,357,000. The increase of $652,000 over the amount appropriated in FY '86 is attributable to meritorious promotions, new staff positions and increased costs of current levels of service.

JOINT COMMITTEE ON TAXATION

	Fiscal year—		
	1985	1986	1987
Total appropriations	$3,605,000	$3,705,000	$4,357,000
Sequester (P.L. 99-177)		−159,000	
Expenditures	3,550,645	830,752	0
Unexpended balances	54,355	2,715,248	4,357,000

OFFICE OF THE ATTENDING PHYSICIAN

For the Office of the Attending Physician, $1,098,000 to be disbursed by the Clerk of the House. Of this amount, $768,700 or approximately 70% of the total request is reimbursable to the Department of the Navy for military personnel and equipment assigned to the Office of the Attending Physician. The approximate 4% increase over the total FY '86 enacted is due to additional medical supplies and increased reimbursable costs to the Department of the Navy for personnel and vehicles.

ATTENDING PHYSICIAN

	Fiscal year—		
	1985	1986	1987
Total appropriations	$1,007,000	$1,056,000	$1,098,000
Sequester (P.L. 99-177)		−45,000	
Expenditures	996,851	25,617	0
Unexpended balances	10,149	985,383	1,098,000

Official Mail Costs

Mr. Chairman, the Clerk of the House pays the franked mail obligations for both the House and the Senate. Based on current information received from the United States Postal Service, an estimated 721.6 million pieces of mail will be distributed in FY '87 at an estimated cost of $94,818,000. The FY '87 estimate includes $57,365,000 for the House and $37,453,000 for the Senate based on a composite cost per piece of 13.14 cents.

One year ago the U.S. Postal Service estimated, and I requested, $144,458,000 to cover the costs of Official Mail for FY '86. We currently have $95.7 million to meet FY '86 obligations.

In December 1985 I submitted an amendment to the Office of Management and Budget increasing the FY '87 budget by $44 million which brought the total estimated amount for FY '87 to $138,818,000. This total estimate is reflected in the President's budget.

The U.S. Postal Service continues to project FY '86 mail costs at approximately $144 million. Therefore, I am requesting an additional $4,300,000 to bring the total FY '87 request to $143,118,000. This amount is requested to fund any shortfall which may occur in FY '86.

The Clerk of the House received billings totaling $85.2 million from the U.S. Postal Service for franked mail costs incurred during the four quarters of FY '85. These billings represented over 354 million pieces of mail for the House totaling $45.3 million and over 321 million pieces of Senate mail totaling $39.9 million.

Statements of Appropriations

For FY '87, a request of $13,000: one-half to be disbursed by the Secretary of the Senate and one-half to be disbursed by the Clerk of the House. Mr. Chairman, this is the same amount as enacted in the FY '86 bill.

ADMINISTRATIVE PROVISIONS AND CONCLUSIONS

Mr. Guthrie. Mr. Chairman, at this time I would like to submit to the Subcommittee H. Res. 320, approved November 14, 1985, establishing one additional position on the Capitol Police Force, and H. Res. 21, approved December 11, 1985, establishing a Congressional Child Care Center. These items were included in the President's budget. We recommend that these resolutions be made permanent law in the Administrative Provisions.

Mr. Chairman, I would once again like to bring to your attention the management of funds contained in the Legislative Branch Appropriations Bill. Last year I brought this matter to the attention of the Subcommittee during my testimony on the FY '86 Appropriation Bill. Since that time, a total of $76,721,000 has been reduced from the amount originally requested for FY '86. It was necessary to implement certain limitations on all officers in order to ensure that FY '86 obligations did not exceed our available resources.

These limitations were invoked under the authority given the Clerk to administer the implementation of the Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings).

As the keeper and disburser of these funds, the Clerk makes a best effort to estimate the funds required to meet estimated obligations. I feel the amounts in the FY '87 request are prudent. They do, however, represent a slight departure from past practices. Full funding of several accounts has been requested for the first time in recent history. This was caused by a combination of ever-increasing utilization rates and overall pressure on all accounts which has removed much of management's discretion. As long as the present environment exists in which Members, Committees and Officers strive to satisfy growing demands with shrinking resources, this strategy is appropriate.

This concludes the Clerk's statement regarding our FY '87 budget estimates for the U.S. House of Representatives and certain Joint Items. As always, it has been a pleasure to testify before the Subcommittee today. The immediate staff of the Clerk and the budget staff in the Office of Finance will be pleased to provide whatever assistance you may require in the future deliberations of these estimates.

QUESTION FOR THE RECORD

Mr. FAZIO. Mr. Porter has submitted a question for the record:

[The question and answer response follows:]

FRANKED MAIL COSTS

Question. Based on information you have received from the U.S. Postal Service, the composite cost per price of franked mail in FY '87 is estimated at $0.1314—down from the FY '86 estimate of $0.1418. Can you explain the reasons for this anticipated decline in the unit cost of franked mail?

Response. The anticipated decline in the unit cost of franked mail is a result of the Senate reducing its unit cost from $0.1584 in 1986 to an estiamtged $0.1418 in 1987. This is due to a change in the class of mail used for large volume mailings. The same trend applies to the House when comparing the $0.1329 unit cost in 1986 to $0.1254 projected for 1987.

It is usual in the even numbered years to utilize greater volume, thus spending more in total than the prior year. However, the mix of mail changes in the even numbered years to less expensive classes of mail, thus driving the per unit cost down.

TRANSFER WORKERS AND UNEMPLOYMENT COMPENSATION TO GOVERNMENT CONTRIBUTIONS

Mr. FAZIO. Ben, this item is very broad in scope—almost without definition. Why do we include the unemployment and workers' compensation in supplies and materials item. Wouldn't it make more sense in the "Government Contributions" line item? That seems a more logical caption for this activity, and it would narrow the scope of this supplies and materials item.

Mr. MCGUIRE. I would have to say that they are in that particular group by tradition and not particular logic.

Mr. FAZIO. Would it be possible to clarify that?

Mr. MCGUIRE. Yes.

Mr. FAZIO. Do you see the benefit of reclassifying that item?

Mr. MCGUIRE. Our initial assessment of it, and we will follow up with you as we go through the mark-up process, it would be no particular problem for us to move that line item out of this particular account into the sub-account.

Mr. **Fazio**. The impact of the Gramm-Rudman reductions undoubtedly will cause an uncontrollable increase in unemployment expenses. Unless you create a line item for this purpose, your supplies and materials account will appear unrealistically high. It is better to make that kind of adjustment right now.

COST OF PHOTO SUPPLIES

Mr. **Fazio**. Mrs. Boggs has submitted a question for the record.

[The question and response follow:]

Question. You indicate that the costs of photo supplies for identification cards for House employees comes from a sub-account "Supplies, Materials, Administrative Costs". The Sergeant-at-Arms also indicates that funding for materials to produce Congressional identification cards comes from his "Supplies and Materials" sub-account. How do the materials purchased from these two accounts differ?

Response. The cost of the ID cards for the House are funded by the sub-account "Supplies, Materials, Administrative Costs" while the cost of the ID cards for the Senate are funded from the Joint item "Capitol Police General Expenses" and its sub-account "Supplies and Materials".

DISCUSSION ON HOUSE TELEPHONE SYSTEM

Mr. **Fazio**. I also would like to touch on the question of telephone costs. One of the overview hearings this committee should consider is on the telephone situation in the Capitol complex.

It seems that we could implement a broader telephone system, cost savings to accrue to the entire Legislative Branch rather than doing it piecemeal by various elements of the Legislative Branch. Specifically, I am interested in the projected telephone savings of 6.4 million. Is that an annual, or total savings figure?

Are we renting less equipment now, and therefore saving on rental?

Mr. **Guthrie**. I have Susan Zeleniak, who is our telecommunications coordinator.

Ms. **Zeleniak**. The most significant part of the savings, as we see it from the evaluations that were done, comes from purchasing the station equipment, which is basically what you see on your desk. We currently lease that equipment, and the costs are about $3 million a year.

We can purchase it and only have to pay a maintenance fee year after year. That is the biggest bulk of the savings.

SAVINGS THROUGH REPLACING HOUSE PHONE SYSTEM

Mr. **Fazio**. The one-time expenditure projects savings over time.

Ms. **Zeleniak**. Right.

Mr. **Fazio**. What is the $6.4 million savings based on?

Ms. **Zeleniak**. $6.4 million was what we expect to be able to save on the system as a whole by 1990, given that we would initially have to come up with a large sum of money.

Mr. **Fazio**. In the short-term, there will be high initial outlays, we would spend more, followed by accrued savings what are the additional expenditures estimated to be?

Ms. **Zeleniak**. $15.6 million. That would be just for the House.

Mr. Fazio. Do you agree with my presumption that by procuring a system for the Legislative Branch agencies that it would be possible to save money? Would $15 million be adequate to do that?

Ms. Zeleniak. It is difficult to say without really looking at prices for doing that.

I would be really taking a guess at that. We receive large volume discounts already because of the size of our own operation, and I am not sure how those would extend through the other agencies.

Mr. Fazio. Didn't we commission a study on that?

Ms. Zeleniak. Yes, Arthur D. Little performed it.

Mr. Fazio. It was directed at the House system.

Ms. Zeleniak. They evaluated the proposals that were received. They didn't determine what our requirements were.

Mr. Fazio. Did they evaluate the proposed bids?

Ms. Zeleniak. Yes.

Mr. Fazio. Did anyone put our requirements together?

Ms. Zeleniak. Booz, Allen and Hamilton helped write the specs, and we relied on much of what the Senate had done.

Mr. Fazio. The Senate's were separate bids?

Ms. Zeleniak. We went out together, but they chose not to make a decision at this time. The vendors came back and gave a proposal to the Senate, a proposal to the House and a joint proposal. They gave us rates on all three.

Mr. Fazio. The Senate rejected or delayed the decision?

Ms. Zeleniak. Yes.

Mr. Fazio. If each proposal were adopted independently, would we attain the projected savings?

Ms. Zeleniak. Probably not.

Mr. Fazio. To achieve the $6.4 million savings we need to spend $15 million?

Ms. Zeleniak. Yes.

THE LOSS IN DELAYING THE PURCHASE OF HOUSE TELEPHONES

Mr. Fazio. Could we have saved, if we moved earlier on this? Is time costing or saving us money?

Ms. Zeleniak. Time is costing us money. Currently, it costs us $500,000 a month. For every month we put off doing something, we are going to pay that $500,000, rather than making a purchase.

Mr. Fazio. When GSA arranged their equipment purchase program with AT&T, did we miss that opportunity?

Ms. Zeleniak. I can't speak to that, because I was not here at the time. I am not sure whether it was ever made available to the House.

Mr. Fazio. Could we go out and purchase equipment now in a competitive market, and make savings?

Ms. Zeleniak. Yes, you could.

JUSTIFICATION FOR NEW HOUSE PHONE SYSTEM

Mr. Fazio. What exactly is the reason for charging the system?

Ms. Zeleniak. Technological advances and the growing needs of the House for data transmission and that type of operation. The equipment that we are currently using is technology that will eventually give out, and we are trying to make sure we don't end up in a situation like that.

Mr. FAZIO. Is there a compelling argument for combining the purchase of the station equipment and the move to a more sophisticated capable system?

Ms. ZELENIAK. The advantage is that the switch has features in it that, when associated with the sets, give them more capabilities. If you buy the sets separately you may not get all the features.

Mr. FAZIO. Logic dictates that we do this all at once?

Ms. ZELENIAK. Right.

Mr. FAZIO. Are we under any urgency to sign this contract?

Ms. ZELENIAK. Our figures of savings were based on having the switch in place by January 1st of 1987. To do that, we need to sign a contract very quickly, so for every month we put off, we may have to have an additional $500,000 to keep the existing system running past January 1st.

Mr. FAZIO. Is the $15 million contract required to be paid in advance? Are we required to make a lump-sum payment?

DISCUSSION ON CONTRACT FOR NEW SYSTEM

Ms. ZELENIAK. We don't have a contract yet. The Committee on House Administration is undertaking that, and at this point, because there is no contract, we don't know. They could work out a deal.

They agreed to award the bid to AT&T and begin contract negotiations, but we do not have a signed contract yet.

Mr. FAZIO. It is not executed until it is funded.

Ms. ZELENIAK. That is my understanding.

Mr. GUTHRIE. Mr. Chairman, we hope it will be the Clerk signing the contract, and we would like to have agreement between everyone before we get to that point.

Mr. FAZIO. I understand.

Is there an urgency to keep this bid?

Ms. ZELENIAK. I think AT&T has agreed to hold their prices until we sign a contract. It puts the installation of the service in jeopardy.

Mr. FAZIO. If we determined there were cost savings on a broader basis, this would cause further delay in the decision relating to this particular contract, assuming House Administration did it.

Your argument is that to accrue the savings, we should proceed on the spare course. I am concerned about, and interested in obtaining a better understanding of potential long-term savings in the appropriations necessary to operate the Legislative Branch.

Ms. ZELENIAK. I appreciate your concerns.

Mr. FAZIO. How do you recommend we obtain a cost-benefit analysis?

Each bidder could say, oh, yes, we could have saved you some money.

Ms. ZELENIAK. There are processes for doing that. They are all rather timely. We could ask the vendors to prepare new proposals. However, technical arrangements for providing that kind of service would take a considerable amount of time.

OTHER LEGISLATIVE BRANCH AGENCIES

Mr. **Fazio**. What is the status in the other Legislative Branch agencies?

Ms. **Zeleniak**. In terms of the Senate, when they deferred their decision in December, they had indicated in 90 days, they would issue some kind of new specification as to their requirements, and that time hasn't arrived yet.

Mr. **Fazio**. What about the other agencies?

Ms. **Zeleniak**. The Library of Congress has a procurement out for competitive bid, and their bids closed January 31, so they are in the evaluation stage of that procurement.

As far as GAO and GPO, I can't comment.

DISCUSSION ON JOINT HOUSE AND SENATE PHONE SYSTEM

Mr. **Fazio**. Do you know if anybody has ever considered Hill-wide or Legislative Branch-wide procurement?

Ms. **Zeleniak**. I have no knowledge of it.

Mr. **Colley**. Mr. Chairman, when we started this last year everyone agreed we should look at the possibility of replacing the House telephone system. We had various consultants and studies.

The Senate was moving to issue an RFP, and the Committee on House Administration chose to move at the same time. Susan can refresh my memory as we go along, but in the discussions, at the committee staff level, there was discussion as to whether we should go alone or go with the Senate. The House felt we should go with the Senate on their RFP.

Mr. **Fazio**. I see.

Mr. **Colley**. They were moving, and we had to join with them at that point.

I don't recall any other joint meetings with the other legislative bodies, but I'm certain they were considered.

Mr. **Fazio**. We will be doing a survey of the agencies as they come before us. I appreciate your help. We may need to call on you for additional assistance.

I have some questions that are inserted for the record.

[The questions and responses follow:]

Telecommunications System

Question. Could you please discuss plans to purchase and install a phone system for the House?

Response. On April 18, 1985, the committee on House Administration agreed to join the Senate in their competitive procurement of a new telephone system. Accordingly, the House issued their system requirements on June 4 and proceeded, with the assistance, of Arthur D. Little, Inc., to evaluate the vendor proposals. On December 5, 1985, upon a recommendation from the Subcommittee on Office Systems, the Committee on House Administration selected AT&T Information Systems to provide the System 85 Communications Package for the House. The Senate has delayed their decision until after March, 1986.

The Committee on House Administration is currently negotiating a contract with AT&T and expects to have the new system installed by January 1, 1987. The system will provide for switching equipment located in House provided space and will replace all current telephone wire and telephone sets. It is expected that the purchase of the new system will result in substantial long term savings for the House.

Question. Will the new telephone system be fully compatible with the Senate's system?

Response. Because the Senate has not yet selected a new phone system, it is impossible to guarantee that the House system will be compatible with the Senate. However, we have been assured by the Senate Telecommunications Office that they will require their selected vendor to be compatible with the House phone system.

Mr. FAZIO. Are there further questions?

GENERAL DISCUSSION ON LBJ INTERN PROGRAM

Mr. MYERS. I have some questions. I understood we were not going to have LBJ interns, and I see a request for $1 million.

Mr. GUTHRIE. This request is for fiscal year 1987. The language coming from the Committee on House Administration was for sequestration of 1986 funds, there will be no intern program for this particular fiscal year.

Mr. MYERS. We will have them back in 1987, then?

Mr. GUTHRIE. We don't know what will happen in 1987. We included funds for the 1987 budget.

Mr. MYERS. How many more things are there in here that may be cut? More items that may be reduced by House Administration?

You might provide that for the record.

Mr. MCGUIRE. The actions taken so far apply to the fiscal year 1986 bill we are operating under. There has been no indication from House Administration that any of those actions are of a continuing nature.

They were only for the period of time of the fiscal year 1986 sequestration. Whether or not things like LBJ interns will be impacted in fiscal year 1987 will depend on the action taken on this bill.

And secondly, if there is a sequestration of 1987.

Mr. FAZIO. Mrs. Boggs has submitted a question for the record.

[The question and response follows:]

Question. Funds are requested in FY 1987 for the LBJ Intern program. Does this indicate that this Summer's suspension is only temporary in nature?

Response. The LBJ Intern Program was suspended for FY 1986 by the Committee on House Administration on February 3, 1986. The Committee's action was for FY 1986 only. Therefore, we have requested funding for FY 1987 as we have no indication that the suspension will be extended beyond FY 1986.

FUNDING OF CAUCUSES

Mr. MYERS. Where do the many, many caucuses that we have, where do they get their funds?

Mr. GUTHRIE. They are not actually in here. Funds come from your Clerk Hire and Official Expenses.

Mr. FAZIO. They are out there on the market.

Mr. MYERS. You do not request funds for any caucuses?

Mr. GUTHRIE. Only, the official Democratic and Republican Caucuses. All other caucuses and groups, whatever, receive their monies from Clerk Hire allocated to them from individual member's account.

Mr. MYERS. They are on some one individual's account. Do you have a record of how many caucuses we do have around this place, could you provide that for the record?

Mr. COLLEY. Just the number or a list?

Mr. MYERS. List.

[The list follows:]

LEGISLATIVE SUPPORT ORGANIZATIONS

Arms Control & Foreign Policy.
Arts Caucus.
Automotive Caucus.
Black Caucus.
Border Caucus.
CA Democratic Delegation.
Clearinghouse on the Future.
Democratic Research Organiza'n.
Democratic Study Group.
Environmental & Energy.
Export Task Force.
Fed'l Gov't Service Task Force.
Hispanic Caucus.
House Wednesday Group.
Human Rights Caucus.
Long Island Congressional.
Military Reform Caucus.
New England Congressional.
New York State Congressional.
Ninety-eighth Democratic.
Ninety-fifth Members.
Ninety-seventh Members.
Ninety-sixth Members.
Northeast-Midwest.
Pennsylvania Congressional.
Populist Caucus.
Republican Study Committees.
Rural Caucus.
Science and Technology.
Space Caucus.
Steel Caucus.
Sunbelt Council.
Territorial Caucus.
Textile Caucus.
Travel & Tourism Caucus.
Women's Issues.

ANNUAL COMPILATION OF CAUCUSES

Mr. McGUIRE. I believe House Administration does an annual compilation of the various caucuses or legislative support organizations is what they call them. They do an annual compilation of how much resources from whatever source.

They have regulations that require the legislative support organizations to report to the Committee on House Administration, what they are receiving in Clerk Hire and in official expenses support from the various members, so we can certainly request that from the committee, or if you would like to request it?

Mr. FAZIO. Please furnish that information for the record. I know those agencies are going to be strapped for funds.

The survival of some of the caucuses is very questionable.

[The table follows:]

LEGISLATIVE SERVICE ORGANIZATIONS RECEIPTS FROM ALLOWANCE FOR OFFICIAL EXPENSES AND ALLOWANCE FOR CLERK HIRE FOR THE CALENDAR YEARS 1982 THROUGH 1985

YEAR	Receipts			Percentage change from previous year
	Allowance for official expenses [1]	Allowance for clerk hire [2]	Total	
1982	$939,095	$1,473,265	$2,412,360	
1983	1,269,946	1,306,888	2,576,834	6.82
1984	1,514,794	1,263,973	2,778,767	7.84
1985	1,692,466	1,172,437	2,864,903	3.10

[1] Source: Finance Office, Financial Management System, Vendor Voucher Listing.
[2] Source: Finance Office, Monthly Payroll Certifications.

RECEIVE FUNDS OTHER THAN CONGRESSIONAL

Mr. MYERS. We are all going to be strapped, too, and it seems like those people perform less for us than our own Clerk Hire does. I don't belong to any of the caucuses.

Mr. McGUIRE. In calendar year 1984, $2.7 million was expended.

Mr. MYERS. Do any receive funds other than Congressional?

Mr. McGUIRE. It is not legal, they do not.

Mr. MYERS. Revise my question.

Mr. **Fazio**. A number of the caucuses will have a very tough time meeting budgets. The members will not be able to pass on funds to them, as they are confronted with their own restrictions in Clerk Hire or office accounts.

Some will be struggling for existence.

Mr. **Myers**. I don't belong to any of them, so I sure don't contribute.

Mr. **Fazio**. Some have a very small number of members involved. The DSG, however, would be a tremendous loss to our caucus.

Mr. **Myers**. Wouldn't be a loss to me.

They have done very well for me out in my District.

Mr. **Fazio**. You don't have to worry about DSG in your District. DSCC or CCC maybe, but that is another subject.

ADJOURNMENT

If there are no other questions or statements, we thank you all for your participation today.

THURSDAY, FEBRUARY 20, 1986.

JOINT COMMITTEE ON TAXATION

WITNESSES

HON. DAN ROSTENKOWSKI, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS, CHAIRMAN

DAVID H. BROCKWAY, CHIEF OF STAFF

RANDALL D. WEISS, DEPUTY CHIEF OF STAFF

MICHAEL W. COOK, CHIEF CLERK

Mr. FAZIO. We will take up the Joint Committee on Taxation. The budget request of the Joint Committee for fiscal 1987 is $4,357,000. Also, there is a $600,000 supplemental request. We are pleased to have the Vice-Chairman of the Joint Committee on Taxation with us, the Honorable Dan Rostenkowski. Welcome, Mr. Chairman.

We also have Dave Brockway, the Committee Staff director, here.

Mr. Chairman, do you have a statement to put in the record? You can also make any comments if you desire.

Mr. ROSTENKOWSKI. I have a longer statement than my summary.

Mr. FAZIO. You are welcome to submit it.

Mr. BROCKWAY. We have submitted a statement for the record.

Mr. FAZIO. Thank you.

Mr. ROSTENKOWSKI. I can summarize, if you would like.

I am here today to discuss with your subcommittee the fiscal year 1987 budget request and the 1986 supplemental request for the Joint Committee on Taxation. I ask that my prepared statement be included in the record.

The Joint Committee's $4,356,800 fiscal year 1987 budget request is $651,800 over the fiscal year 1986 appropriation of $3,705,000. This is composed of a $350,800 increase in personnel funding and a $301,000 increase in nonpersonnel funding.

The increased funds requested for personnel for fiscal year 1987 would provide for an additional two staff positions and for meritorious promotions. The increase in the nonpersonnel funding total reflects expected increases in computer services, costs of publications, replacement and upgrading of office equipment, and a nominal increase in the costs of communication expenses.

At the present time, we do not foresee additional program needs for the four fiscal years following fiscal year 1987.

The Joint Committee also requests a supplemental appropriation of $600,000 to cover increased computer-related expenses. These costs are incurred for the purchase of computer time from the Treasury Department for large-scale computer modeling work that is necessary in order to estimate the revenue and distributional impacts of tax legislation considered by Congress.

Based on our historical experience we had anticipated average monthly computer expenditures of $25,500 during fiscal year 1985, and $29,000 during fiscal year 1986. However, as a result of the extraordinary complexity of the calculations necessary to provide adequate revenue and distributional analysis of comprehensive tax reform proposals and the very high volume of these analyses that had to be performed, actual computer costs have averaged roughly $100,000 per month since active consideration of tax reform began in July 1985.

Consequently, as of the end of the first quarter of this fiscal year, computer costs had already exceeded the budget targets by $525,000. Moreover, because of the ongoing consideration of tax reform by Congress, it is anticipated that computer costs will remain significantly in excess of the amounts budgeted for the remainder of this fiscal year. These additional costs require us to request supplemental funding.

This concludes my summary statement.

[The statement of Mr. Rostenkowski follows:]

STATEMENT OF THE HONORABLE DAN ROSTENKOWSKI, VICE CHAIRMAN, JOINT COMMITTEE ON TAXATION

BEFORE THE SUBCOMMITTEE ON LEGISLATIVE BRANCH OF THE HOUSE APPROPRIATIONS COMMITTEE

CONCERNING THE JOINT COMMITTEE ON TAXATION BUDGET REQUEST FOR FISCAL 1987 AND SUPPLEMENTAL REQUEST FOR FISCAL 1986

February 20, 1986

Mr. Chairman, I am here today to discuss with your Subcommittee the fiscal 1987 budget request, and the fiscal 1986 supplemental request of the Joint Committee on Taxation.

OVERVIEW

As indicated in the letter to the Subcommittee dated February 6, 1986, the Joint Committee's fiscal 1987 budget request is $4,356,800.00, comprised of $3,485,800.00 for personnel and $871,000.00 for nonpersonnel costs. This is a $651,800.00 increase over the fiscal 1986 budget authorization. $350,800.00 of the increase is for personnel costs and is attributable to our request for 2 additional staff positions and for meritorious promotions. An increase of $301,000.00 in nonpersonnel costs reflects increases of $1,000 for communications (telephone), $10,000.00 for publication expenses, $40,000.00 for equipment, and $250,000.00 for computer related expenses.

EXPLANATION OF FISCAL 1987 BUDGET REQUEST

General

Mr. Chairman, the fiscal 1987 budget request of $4,356,800.00 is $651,800.00 over the fiscal 1986 appropriation of $3,705,000.00.

Personnel costs

A $350,800.00 increase is requested for personnel for fiscal 1987 to provide for the addition of two staff positions and for meritorious promotions.

Non-personnel costs

An increase of $301,000.00 in non-personnel funding reflects expected increases in computer services, increased costs of publications, replacement and upgrading of office equipment, and a nominal increase in the costs of communication expenses (see table 1).

Computer services

The Joint Committee requests an increase of $250,000.00 for computer related expenses during fiscal 1987. The committee purchases computer time from the Treasury Department for large scale computer modeling work. Because of a substantial increase in the number of revenue estimates prepared for the tax writing committees, the Congressional Budget Office, and individual Members of Congress, the funds expended for computer services have increased dramatically during the past several years, from an annual total of $82,600.00 in FY 1980 to over $600,000.00 in FY 1985 (see table 2). From July 1985 through December 1985 the staff received 270 formal requests for information from individual members, 260 of which required revenue estimates. With increased emphasis on achieving a balanced budget, it is anticipated these expenses will remain close to the present level during FY 1987. The Joint Committee's computer usage will be more fully explained during the discussion of the FY 1986 supplemental request.

Publications

The availabiity of current reserach materials from the Library of Congress and Congressional Research Service is expected to decline as budget cuts take effect forcing the committee to become more self-sufficient. The $10,000 increase in publications covers the price of all current subscription items and allows for some new purchases to meet staff requirements.

Office Equipment

The Joint Committee uses its own computer system to support word processing, revenue estimating, communications, personnel and accounting.

In January 1986, at the recommendation of House Information Systems, the Joint Committee installed a VAX 8600 computer to replace the PDP 11/70 computer the committee had used for the past several years. The old computer could not handle the committee's workload and, on occassion, required the staff to discontinue word processing to allow rush projects to be completed which resulted in low staff productivity. Unlike the new VAX technology, the PDP 11/70 could not be expanded economically.

The new system has sufficient capacity to handle the existing workload efficiently and will allow more functions to be automated. In addition, the new system has sufficient memory to allow some of the revenue estimating work being done on the Treasury Department computer to be moved to the committee's own computer, thereby reducing some time-sharing expenses. While little new software was being developed for the PDP 11/70, the VAX system will allow the use of state-of-the-art software, which will increase staff productivity in future years. The PDP 11/70 was returned to the Clerk of the House and removed from the Joint Committee inventory offsetting a portion of the monthly cost of the new computer.

The cost of the new computer was further offset with the purchase of a Xerox 1090 photocopier. This equipment replaced a Xerox 9400 copier which was installed in 1978 and leased directly from the vendor. During the 12 months preceeding purchase of the 1090 the monthly charge for the 9400 averaged $3,700.00. Under the three-year plan the monthly cost of the 109C is $2,200.00.

Decreases in office expenses will also be realized as the committee purchases new less costly laser printers to replace the line printers it now leases, and as the three-year commitment on other equipment is met and monthly charges decline.

Communications

The committee requests a additional $1,000 to cover increased communications costs.

1986 Supplemental Request

The Joint Committee also requests a supplemental FY 1986 appropriation of $600,000 to cover increased computer related expenses. Our original FY 1986 budget request, which was formulated in September, 1984, contemplated annual computer expenses (use of the Treasury Department computer) of $350,000. This figure was developed on the basis of experience at that time, which led us to expect average monthly computer expenditures of $29,000.

We did not anticipate the enormous demands that Members would make on us in connection with the consideration of comprehensive tax reform. The President's proposal deals with items of income and deductions which had not been previously analyzed, and our revenue and distributional analysis of the proposal (as well as Treasury's) required the use of more complex data sets and more sophisticated software than had previously been employed. Further the high number of separate tax provisions being considered simultaneously led Members to request analysis of many different combinations of proposed changes in each provision. As a result of the increased complexity of calculations necessary to provide adequate analysis of comprehensive tax reform proposals and the increase in the number of specific requests for this analysis, actual computer costs have averaged over $100,000 per month since active consideration of tax reform began in July 1985. We expect that our computer expenses will remain close to that level throughout this fiscal year.

SUMMARY OF FISCAL 1986 AND 1987 BUDGET AMOUNTS

In summary, Mr. Chairman, the Joint Committee's present budget estimates for fiscal years 1986 and 1987 are as follows:

	FY 1986 Appropriation	FY 1987 Estimate	Change
Personnel	$3,135,000.00	$3,485,800.00	$350,800.00
Non-personnel	570,000.00	871,000.00	301,000.00
Total FY 87 Increase			$651,800.00

At the present time, we do not foresee additional program needs for the four fiscal years following fiscal 1987.

Joint Committee on Taxation
February 12, 1986

TABLE 1: COMPARISON OF ESTIMATED FISCAL 1986 AND FISCAL 1987 NON-PERSONNEL COSTS FOR THE JOINT COMMITTEE ON TAXATION

Item	Fiscal 1986 Level	Fiscal 1987 Level
TRAVEL	$ 3,500.00	$ 3,500.00
MISCELLANEOUS	2,500.00	2,500.00
COMMUNICATIONS	9,000.00	10,000.00
COMPUTERS	350,000.00	600,000.00
PUBLICATIONS	40,000.00	50,000.00
CONSULTANT	5,000.00	5,000.00
EQUIPMENT	160,000.00	200,000.00
TOTALS	$570,000.00	$871,000.00

JOINT COMMITTEE ON TAXATION
February 13, 1986

Table 2

COMPUTER EXPENSES OF THE JOINT COMMITTEE ON TAXATION (dollars)
(FISCAL YEARS 1980 THROUGH 1986)

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL	AVG
FY 1980	5926	3424	3251	5256	3826	4170	6647	6709	5774	11696	16288	9635	82600	6883
FY 1981	6603	7233	7738	12120	13667	15677	16603	20110	27114	32085	2591	6630	168171	14014
FY 1982	7381	7933	9887	9419	11164	28545	28397	28897	37099	36075	19332	7214	231344	19279
FY 1983	8624	9967	6088	13389	14100	23069	20540	17417	17138	15277	11237	17131	173978	14498
FY 1984	22261	14346	9679	21547	28586	31024	11981	10051	9836	9300	13309	21015	202934	16911
FY 1985	18711	15350	18925	57573	41458	33048	26642	38703	54408	124551	45258	130537	605163	50430
FY 1986	122446	138879	50045										311370	103790

GRAMM-RUDMAN REDUCTIONS

Mr. **Fazio**. How do you plan to reallocate the $159,000 reduction through Gramm-Rudman on March 1? We are asking this question of all the agencies.

Mr. **Brockway**. Mr. Chairman, we would use a variety of aproaches, even assuming a supplemental appropriation is provided for this fiscal year. One would be to restrict our staff size. We went up to a level of 47 professionals last fall during the active consideration of this tax bill. Even though we are still actively involved with the tax bill and will continue to be throughout the year on the Senate side and in conference, we are simply not replacing personnel as they leave and expect to drop from 47 to 42 professionals and to drop about 4 members of the support staff. That is one way.

COMPUTER COSTS

Mr. **Fazio**. Will you do it through attrition?

Mr. **Brockway**. I am not sure. Computer time is far and away our biggest problem. We simply had not at all planned for the costs.

There are some things we have already done to cut down the costs of computer runs. There are other things that we are examining that will cut back our costs significantly. Unfortunately while we can cut the costs of particular runs; the quality of the numbers will go down. Given the size of our budget problem, however, that is something we are compelled to look at.

Finally, we are reevaluating a lot of miscellaneous expenses. Ultimately, I fear we may have to do something on salaries across the board if the numbers don't work out. There may be other people that leave the staff, but I think with the level that we are at now, I would be reluctant not to replace any more.

Mr. **Fazio**. This is a tough year for you to lay off employees or in other ways or restrict personnel. Except for last year you have more work in this year than in any other.

Mr. **Brockway**. The last five years have been tough. But this past year and the ongoing year have been the toughest.

Mr. **Rostenkowski**. This blanket reduction is a little ridiculous. You have committees—and this is not your jurisdiction—you have committees that will be totally inactive this year and get the same cut I am going to get.

You have four committees doing the work here of the Congress: Appropriations, Rules, Ways and Means, and Budget. This blanket reduction is just unfair to us.

We will try to get along as best we can, but we will have to curtail services, too. It just has to happen.

TREASURY COMPUTER COMPATIBLE

Mr. **Fazio**. Do you use HIS computer services at all?

Mr. **Brockway**. We use them to some extent. The difficulty is that they have IBM-compatible computers, and Treasury has Sperry.

What we have to do is be able to do our estimates and modeling on a computer that permits us to communicate back and forth with

Treasury. If we use another computer such as the one at HIS, it can require twice as much work.

Mr. **Fazio**. Do you have a common data base with Treasury?

Mr. **Brockway**. Exactly. And common modeling on most items. The macreconomic assumptions are different—we use CBO; they use OMB.

Mr. **Fazio**. Is there any way to lay costs off on HIS?

Mr. **Brockway**. In fact, we do some work with HIS, and that basically comes out of their budget rather than ours. But it is very difficult to transfer too much, mechanically, because of the difference in the computers.

REVENUE ESTIMATES

Mr. **Fazio**. Do you have your own computer?

Mr. **Brockway**. We have a computer that is used largely for word processing for the entire staff. Because it is a sophisticated computer, we are trying to get as much of the work that we can off of the Treasury computer, and onto small-sized modeling on our own computer. Unfortunately, we have to use the Treasury computer for the big data bases we need for most of our revenue estimates.

We are trying to transfer onto our own machines as much as we can of the calculations that don't require using the large individual and corporate models as a way of saving money.

REIMBURSEMENTS TO TREASURY

Mr. **Fazio**. Will the computer increases that you factor in for 1987 be for reimbursement to Treasury or for your own computer?

Mr. **Brockway**. Basically, reimbursement of Treasury. As long as we are not in comprehensive tax reform, I would hope next year it will drop down. I should think it would.

Mr. **Fazio**. Is it likely after the tax bill passes you will be performing a lot of analytical work, particularly in the first year or until people understand the contents of bill.

Mr. **Brockway**. We will have a substantial amount of work to do, but it won't require the same amount of computer work as in developing the bill.

What I am afraid of is that if you are running budget deficits of the size you are, it would be nice if this were the last major tax bill.

Mr. **Fazio**. I hear that from many people.

Mr. **Brockway**. I tend to doubt it will be the last major tax bill and so I think you will still have these substantial costs.

The question is whether it can be done up here or whether we have to rely on the Administration for their estimates of the revenue impacts.

LIBRARY COSTS

Mr. **Fazio**. I understand the need to have an independent source of information. However, the increase from $38,000 to $50,000, in your subscription seems excessive.

Do we need $12,000 more?

Mr. **Brockway**. That is one of the areas we will be reevaluating. Part of what we are going to do is see how much we can cut back and rely on the Library of Congress and other sources as a way of making up our shortfall.

COMPUTER REQUIREMENTS

Mr. **Fazio**. What do you need in terms of computers? We will try to wrestle with it. Be totally candid about what might occur.

I do not want to underestimate. We see the results in a year like this when we are faced with a tight budget.

I am not asking you to inflate your requirements, but don't hold back either.

Mr. **Rostenkowski**. Mr. Chairman, that is the problem with the Ways and Means Committee. We have never gone before the House Administration Committee with an inflated budget, always getting the minimal amount of increase, while other committees went in with an inflated budget, got cut back, and now we are suffering because of an honest estimate of what we intended to spend.

Every year since I have been chairman, we have always come within $1,000 of spending the exact amount for which we asked. Here we sit now, one of the more active committees of Congress, suffering the same reductions that inactive committees are. It is just a government game we have been playing.

Mr. **Fazio**. I am afraid it will get worse under Gramm-Rudman. There will be a tendency to build a cushion into the budgets to absorb the cuts.

Mr. **Rostenkowski**. We will need chairmen with guts to be able to cut those Members and their colleagues that are inflating their budgets.

FUNDING CONSTRAINTS

Mr. **Fazio**. We cut back 11 percent on requests last year in this committee and froze the budget. On top of that, of course, we received the Gramm-Rudman reductions.

I don't know what we will be able to do this year. I don't know what we will face when we come to the floor with the appropriation bill.

I am going to present a reasonable bill which will uphold our ability to have a co-equal legislative branch. Your situation is a good example of the need for independent analytical capability.

Mr. **Rostenkowski**. I think the minute we start commingling our estimates with the departments, we are no longer an independent agency. That is our problem. We wouldn't be able to have a great deal of faith in the estimates.

ADJOURNMENT

Are there any other questions?

We appreciate your candid presentation to us, Mr. Chairman. We will do what we can.

Mr. **Rostenkowski**. Thank you.

Mr. **Fazio**. I would like to insert questions for the record at this point, and adjourn this hearing. Thank you.

[The questions and responses follow:]

COMPUTER COSTS

Question. Factoring out the $600,000 additional needed for computers needed this year, your 1987 request, $600,000 is a substantial increase over the pre-tax bill estimate, about $250,000 more than the expected 1986 level. Why do you expect this increase which amounts to about 70% in computer usage?

Response. Since the Joint Committee's computer costs are directly related to our estimates of the revenue and distributional impacts of tax legislation being considered by the Congress, it is very difficult to predict actual expenses. Although it is hoped the comprehensive tax reform bill now before the Congress will be the last major tax bill for several years, recent history suggests that that will not be the case and therefore, we will still have these substantial costs.

While it is not unreasonable to expect computer expenses to decrease in FY 1987, we are reluctant to base our projections on that assumption. We do not want to be in the position of having to come before the subcommittee again next year to request supplemental funding. We would, of course, return any unused funds to the Treasury.

RENTAL OF EQUIPMENT

Question. There is also an increase in equipment rental (+$45,000). Can you tell us the components of this increase?

Response. The increase in equipment rental is due to the Joint Committee's purchase of a VAX 8600 computer under the House of Representatives three-year plan.

In January 1986, at the recommendation of House Information Systems, the Joint Committee installed a VAX 8600 computer to replace the PDP 11/70 computer the committee had used for the past several years. The old computer could not handle the committee's workload and, on occasion, required the staff to discontinue word processing to allow rush revenue estimating projects to be completed. This interfered with staff productivity. Unlike the new more sophisticated VAX technology, the PDP 11/70 could not be expanded economically.

The new computer will, in time, permit the Joint Committee to develop its own models for revenue estimating purposes thereby decreasing some Treasury time-sharing costs.

We have taken steps to offset the cost of this new computer by replacing outdated leased equipment with less expensive equipment purchased under the three-year plan and with the return of the PDP 11/70 to the Clerk of the House.

Question. For the record, please list all current equipment rental and indicate projected increases for FY 1987.

Response. In addition to equipment on the inventory of the Clerk of the House the Joint Committee leases the following equipment directly from the vendors:

1 Xerox 2700 Printer;
1 Xerox 1045 copier;
1 National Eagle Fische Reader;
3 Trendata printers;
2 Norelco Transcribers;
4 Norelco Dictators
11 National Eagle CIT 101E terminals; and
4 National Eagle CIT 220+ terminals.
3 Bellboy Pagers.

We intend to replace the Trendata printers with newer less expensive equipment purchased under the three-year plan and to discontinue the leases on the Norelco transcribers/dictators during the next few months.

With the exception of the purchase of the committee's new VAX 8600 computer we do not expect any further increase in equipment costs during FY 1987.

[CLERK'S NOTE.—The equipment inventory for the Joint Committee on Taxation will be maintained in the committee files for a period of time.]

STAFF SALARIES

Question. We also see a very large increase in average salaries from 1985 to 1987, from $42,282 to $51,625 (+22%). Is that caused by new staff replacing lower paid staff or mostly by meritorious increases for current staff?

Response. In averaging annual salaries the method used by the Clerk of the House (i.e., dividing the total personnel appropriation by the number of employees) can be somewhat misleading since there is no breakdown by staff position. The following tables provide a more detailed summary of average salaries which would present a clearer picture of our actual average salaries:

AVERAGE PROFESSIONAL SALARIES

[FY 1985 VS. FY 1986]

Month	Average attorney and accountant salary	Average economist salary	Average revenue estimator salary
Fiscal year 1985:			
October	$59,503.46	$60,966.67	$44,400.00
November	59,503.46	60,966.67	44,400.00
December	59,503.46	60,966.67	44,400.00
January	59,160.36	61,350.00	44,400.00
February	56,623.70	60,340.00	44,454,55
March	58,823.70	60,340.00	45,125.00
April	58,823.70	60,340.00	45,125.00
May	58,090.00	60,340.00	45,125.00
June	57,394.23	60,340.00	45,125.00
July	55,972.22	60,340.00	45,125.00
August	55,972.22	60,340.00	45,500.00
September	55,901.79	56,950.00	45,958.33
Fiscal year average	57,939.36	60,298.33	44,928.16
Fiscal year 1986:			
October	57,560.34	59,450.00	50,200.00
November	57,162.50	50,200.00	50,200.00
December	57,162.50	59,450.00	50,200.00
January	57,162.50	59,450.00	50,200.00
February [1]	57,162.50	59,450.00	50,200.00
March [1]	56,435.19	58,340.00	50,200.00
April [1]	56,798.08	58,340.00	50,200.00
May [1]	56,798.08	58,340.00	50,200.00
June [1]	56,798.08	58,340.00	50,200.00
July [1]	56,798.08	58,340.00	50,200.00
August [1]	56,798.08	58,340.00	50,200.00
September [1]	56,798.08	58,340.00	50,200.00
Fiscal year average	56,952.83	58,802.50	50,200.00

[1] Projected.

AVERAGE SUPPORT STAFF SALARIES

[FY 1985 VS. FY 1986]

Month	Average administrative salary	Average secretarial salary	Average clerk salary
Fiscal year 1985:			
October	$40,210.00	$28,487.58	$24,508.24
November	40,210.00	28,487.58	24,200.00

AVERAGE SUPPORT STAFF SALARIES—Continued

[FY 1985 VS. FY 1986]

Month	Average administrative salary	Average secretarial salary	Average clerk salary
December	40,210.00	28,896.00	24,200.00
January	40,210.00	28,896.00	24,200.00
February	40,210.00	28,896.00	24,200.00
March	40,210.00	28,896.00	24,200.00
April	40,210.00	28,896.00	24,200.00
May	40,210.00	28,896.00	24,200.00
June	40,210.00	28,896.00	24,200.00
July	40,210.00	27,106.00	24,200.00
August	40,210.00	27,439.00	24,200.00
September	40,210.00	27,439.33	24,200.00
Fiscal year average	40,210.00	28,435.99	24,225.69
Fiscal year 1986:			
October	42,525.00	29,416.43	26,350.00
November	42,525.00	29,122.00	26,350.00
December	42,525.00	29,122.00	26,350.00
January	42,525.00	29,430.71	26,350.00
February [1]	42,525.00	29,430.71	26,080.00
March [1]	42,525.00	29,963.85	26,080.00
April [1]	42,525.00	29,963.85	25,450.00
May [1]	36,400.00	29,963.85	25,450.00
June [1]	36,400.00	29,963.85	25,450.00
July [1]	36,400.00	29,963.85	25,450.00
August [1]	36,400.00	29,963.85	25,450.00
September [1]	36,400.00	29,963.85	25,450.00
Fiscal year average	39,972.92	29,689.07	25,855.00

[1] Projected.

During FY 1985 and 1986 we were forced to replace vacant support staff positions with professional staff members in order to adequately handle the work involved with the comprehensive tax reform package now before the Congress. This action resulted in a higher salary average.

Furthermore, the highly technical and time consuming work of the Joint Committee has made it extremely difficult to attract personnel with the expertise we need to adequately serve the Congress without offering competitive salaries. This has become especially important in the last few years during which there has been a huge increase in demand for attorneys, economists, and accountants familiar with the tax legislative process.

THURSDAY, FEBRUARY 20, 1986.

CONSIDERATION OF MARCH 15 REPORT TO THE BUDGET COMMITTEE

Mr. FAZIO. I would like to take up the subcommittee's March 15 report to the full committee for printing in the record. The report was circulated to Members on February 12.

Since there are no objections the report will be submitted to the full Committee as scheduled on February 25.

[The report follows:]

MARCH 15 REPORT TO BUDGET COMMITTEE

SUBMISSION TO FULL COMMITTEE BY THE LEGISLATIVE BRANCH SUBCOMMITTEE

The fiscal year 1987 appropriation request and other items under the Legislative Branch Subcommittee's jurisdiction totals $1,849,670,000 in budget authority and $1,850,926,000 in projected outlays including the Senate items that will be left for consideration by the other body. The outlays are estimates only and will result from fiscal year 1987 appropriations as well as appropriations enacted in prior years which will be expended in fiscal year 1987. The outlays estimates also include the FY 1987 effects of pending supplemental requests and the reductions pursuant to P.L. 99-177 for fiscal year 1986.

The FY 1987 budget requests were formulated before the effects of the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177) were known by the Legislative Branch agencies. The budget reflects an effort to restore some of the Gramm-Rudman reductions.

The Subcommittee believes, however, that the overall targets should be based on the budget figures for the time being. Therefore, the ceilings on budget authority and outlays for items within the jurisdiction of the Legislative Subcommittee for Budget Act purposes should be $1,849,670,000 and $1,850,926,000, respectively.

BUDGET FUNCTIONS

Commerce and Housing Credit (Function 370).—This function deals with commercial and housing credit activities of the federal government. The Copyright Office and Copyright Royalty Tribunal are the two items in the bill that fall within this function. There are no known needs beyond the $11,228,000 requested in the budget for budget authority and the $11,111,000 in estimated outlays.

Education, Training, Employment, and Social Service (Function 500).—All the Library of Congress activities except for the Copyright Office and Congressional Research Service are included in this function. At this time, the FY 1987 request of $199,059,000 in budget authority and the estimated $179,993,000 in outlays seem sufficient.

General Government (Function 800).—The general housekeeping programs of the Federal government, including legislative and legislative-support activities, are included in this function.

Included are the budgets for the House and Senate, other joint items, the Congressional Research Service, Office of Technology Assessment, Congressional Budget Office, the Biomedical Ethics Board, the General Accounting Office, Government Printing Office, and the Architect of the Capitol. The appropriation request for fiscal year 1987 budget authority is $1,639,383,000; outlays are estimated at $1,659,822,000. A budget request for the Biomedical Ethics Board has not yet been received.

Fiscal Year 1986 Supplemental.—The budget request for fiscal year 1986 supplementals (Senate items included) is $88,663,000 in budget authority which is expected to spend out $75,361,000 in fiscal year 1986 outlays.

MARCH 15 REPORT TABLE.—SUBCOMMITTEE ON LEGISLATIVE BRANCH APPROPRIATIONS: FISCAL YEAR 1987

[In thousands of dollars]

	President's budget		Changes		Ceiling recommendation	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Commerce and Housing Credit (Function 370):						
Library of Congress-Copyright Office	$10,978	$10,882			$10,978	$10,882
Copyright Royalty Tribunal	250	229			250	229
Subtotal	11,228	11,111			11,228	11,111
Education, Training, Employment and Social Services (Function 500):						
Library of Congress (except Copyright Office and CRS)	199,059	179,993			199,059	179,993
General Government (Function 8000):						
Senate	327,040	329,276			327,040	329,276
House	482,911	481,146			482,911	481,146
Joint Items	151,054	149,212			151,054	149,212
Congressional Budget Office	18,550	17,936			18,550	17,936
Architect of the Capitol	84,181	119,908			81,181	119,908
Biomedical Ethics Board [1]						
Library of Congress (CRS)	44,010	43,302			44,010	43,302
Government Printing Office	114,735	115,332			114,735	115,332
General Accounting Office	349,552	336,397			349,552	336,397
Botanic Garden	2,291	2,415			2,291	2,415
Office of Technology Assessment	17,700	17,566			17,700	17,566
Railroad Accounting Principles Board	750	723			750	723
Non-annual, Permanent Appropriation	46,609	46,609			46,609	46,609
Subtotal	1,639,383	1,659,822			1,639,383	1,659,822
Grand Total:						
Including Senate Items	1,849,670	1,850,926			1,849,670	1,850,926
Excluding Senate Items	1,522,630	1,521,650			1,522,630	1,521,650

[1] Budget estimate not yet received.

THURSDAY, FEBRUARY 20, 1986.

LIBRARY OF CONGRESS

WITNESSES

DR. DANIEL J. BOORSTIN, THE LIBRARIAN OF CONGRESS
WILLIAM J. WELSH, THE DEPUTY LIBRARIAN OF CONGRESS
DONALD C. CURRAN, THE ASSOCIATE LIBRARIAN OF CONGRESS
HENRIETTE D. AVRAM, ASSISTANT LIBRARIAN FOR PROCESSING SERVICES
CARLETON W. KENYON, LAW LIBRARIAN
JOHN C. BRODERICK, ASSISTANT LIBRARIAN FOR RESEARCH SERVICES
GLEN A. ZIMMERMAN, ASSOCIATE LIBRARIAN FOR MANAGEMENT
RUTH ANN STEWART, ASSISTANT LIBRARIAN FOR NATIONAL PROGRAMS (DESIGNEE)
ALAN JABBOUR, DIRECTOR, AMERICAN FOLKLIFE CENTER
RALPH OMAN, REGISTER OF COPYRIGHTS
MICHAEL R. PEW, ASSOCIATE REGISTER FOR AUTOMATION, COPYRIGHT OFFICE
JOSEPH E. ROSS, ACTING DIRECTOR, CONGRESSIONAL RESEARCH SERVICE
SUSAN C. FINSEN, COORDINATOR OF MANAGEMENT AND ADMINISTRATIVE SERVICES, CONGRESSIONAL RESEARCH SERVICE
HERBERT S. BECKER, DIRECTOR, AUTOMATED SYSTEMS OFFICE
PETER G. SPARKS, DIRECTOR, PRESERVATION OFFICE
FRANK KURT CYLKE, DIRECTOR, NATIONAL LIBRARY SERVICE FOR THE BLIND AND PHYSICALLY HANDICAPPED
JOHN O. HEMPERLEY, BUDGET OFFICER

Mr. FAZIO. Dr. Boorstin, welcome.

We will now commence our consideration of the appropriation request for fiscal year 1987 for the Library of Congress, which totals $254,047,000 and 4,872 permanent budgeted positions. This is an increase of $44.4 million, or 21 percent over the sequestered level of the 1986 appropriation. Sixty-five additional positions are requested, which is somewhat offset by a reduction of 45 temporary or indefinite positions.

These figures do not include $12.15 million in offsetting collections, $8.8 million in gift and trust funds, $26 million in reimbursable programs, and $7.2 million in building maintenance.

With these items included, the overall budget program is $308,156,000, an increase of 19 percent, or $48.5 million over the fiscal year 1986 level.

We want to welcome Dr. Daniel Boorstin, Librarian of Congress, and Deputy Librarian Bill Welsh. I know a number of other people are here who are important to the work of this very important American institution.

LIBRARY OF CONGRESS WITNESSES INTRODUCED

Dr. Boorstin, please introduce the others who accompany you today.

Dr. BOORSTIN. Thank you, Mr. Chairman.

I would like to introduce my associates and staff Don Curran, Associate Librarian of Congress; the Deputy Librarian, Bill Welsh; Henriette Avram, Assistant Librarian for Processing Services; Carleton Kenyon, Law Librarian; John Broderick, Assistant Librarian for Research Services; Glen Zimmerman, Associate Librarian for Management.

Mr. Chairman, there are four people appearing today who have important positions in the Library who have never appeared before this committee. I am especially happy to be able to introduce the first of these, Ruth Ann Stewart, Assistant Librarian for National Programs, who appears first today before this committee. She is seated right behind Congresswoman Boggs.

Ruth Ann comes to us from the New York Public Library and has done a great job up there. We are looking forward to her performing similarly here. It is a very important position, Mr. Chairman.

Alan Jabbour, Director of the American Folklife Center; Ralph Oman, appearing for the first time, Register of Copyrights, behind me; Joe Ross, Acting Director of the Congressional Research Service also appearing for the first time; Susan Finsen, Coordinator of Management and Administrative Services for CRS; Herbert Becker, Director of the Automated Systems Office, also appearing for the first time; Peter Sparks, Director of the Preservation Office; Kurt Cylke, Director of the National Library Service for the Blind and Physically Handicapped; and John Hemperley, our Budget Officer.

LIBRARIAN'S STATEMENT

Mr. Chairman, Members of the committee, I want to thank you for this opportunity to appear before the committee to describe the needs of the Library of Congress for fiscal year 1987.

In the past, on this occasion, I have made a general statement and also filled in the outlines of our budgetary request with the figures for the several items. This morning, with the permission of the committee, I will follow another procedure. Because of the urgencies, which will appear as I go on, I will devote my statement to the large circumstances which explain our budgetary request, the significance of what we are asking for, and the consequences of our requests being granted, or not being granted.

I must warn the committee in advance that my statement, unlike all previous statements I have given to this friendly and generous committee, will sound an alarm. It is not, however, because I am an alarmist—whom the dictionary describes as "a person who habitually spreads alarming rumors, exaggerated reports of danger, et cetera."

Quite the contrary. The Library of Congress has, I hope, acquired a reputation for honesty and conservatism in its requests to this committee, and in its projections for the future. This committee has always been sympathetic, and even generous, to the Library, and I like to think this is in part at least because we have done our bit, never asked for what we did not need, and always shared with your helpful staff suggestions as to how our requests might be prudently pared.

ALARM SOUNDED

But this is not just another budget year. The situation of your, of our Library is serious. It is even dangerous and could become tragic for our nation, the Congress, and the whole world of learning. I would be failing in my oath of office if I did not take this opportunity to sound the alarm, and inform the committee as clearly and as honestly as I can of what is happening to your great Library, and what will happen if this committee—the only agency of our government with the power to act--does not act promptly.

Only 15 months from now, during fiscal year 1987, the nation will begin to celebrate the Bicentenary of our Constitution. Exactly 199 years ago, the Americans of the former colonies were selecting their delegates to the Constitutional Convention which opened with a quorum in Philadelphia on May 25, 1787.

The most recent Library of Congress building was built by the Congress as a monument to James Madison, the leading chronicler of that meeting, and a principal architect of the Constitution. That building, all of the Library of Congress, our collections, our staff, are dedicated to the proposition that free government is based on free, copious, and current access to knowledge. It would be a historic irony—the only analogy that I can think of is the burning of the ancient Library of Alexandria in Egypt—if the Congress of the United States should choose this anniversary to direct and promote the disintegration of this great institution.

The greatest of republics has been served by the greatest of the world's libraries. But this will not continue to be possible, unless the Congress takes measures to repair the damage done and to be done by the vast and unprecedented cuts in the Library's budget. As the Librarian who has had a most cordial and respectful relation to this committee, I cannot help communicating to the committee some bafflement, sadness and dismay from my colleagues at the Library—that the Library of Congress should have been singled out for a double dose of cuts this year, while some other libraries within the government have had their appropriations modestly increased.

As this committee is aware, our regular budget for the current year had been cut by $8.4 million below that for the previous year even before current Gramm-Rudman-Hollings brought this cut to a total of more than $18 million.

SUMMARY OF GENERAL CONSEQUENCES

Let me summarize the general consequences of these cuts, which foreshadow a tragic future ahead of us. Never before in peacetime have the following consequences ensued:

One, the nation's library will cease collecting needed current material.

Two, doors to the nation's library will be closed for lack of funds to provide normal security.

Three, hours of service will be curtailed, closings on Sundays and holidays, and all evenings except Wednesdays, making the Library's services and resources inaccessible to any person who must hold down a regular job.

Four, materials acquired will remain uncataloged and hence inaccessible.

Five, materials deteriorating for lack of treatment will not be preserved.

These are only a few of the disastrous consequences for the Congress, the nation, and the world of learning. This damage is accelerating, and to a considerable extent will be irreparable. These steps are abhorrent to us as citizens of a democratic nation. But I can assure you that we have spent more hours than I can count in meetings of our Library's staff devoted, not as I would have hoped, to discovering ways to be more serviceable to the Congress and to the nation, and to find rational and deliberate ways to secure economies—but rather to figure out how to meet the sudden demand for a Procrustes cut in each of our appropriations by an arbitrary percentage.

STAFF MORALE SUFFERS

How to find the least damaging ways to obey the law? The morale of our staff inevitably suffers. Not only from the need to dismiss some of our ablest people, but from the feeling that the excellence of this institution and its services goes unrecognized and unrewarded. We have become the bewildered victims of a mysterious numbers game.

This is then a time of crisis in your library, in Congress' library, in the nation's library. Yet, for our nation and the world, these are the times that try men's minds, that tax our consciousness, our resources of wisdom, knowledge and information. Threats from without and problems within demand every shred of the most ancient wisdom and the most recent information—to cope with the challenges of a nuclear war, to seize the opportunities of unprecedented technological progress, to enrich the resources of freedom.

We, the greatest library on earth serving the greatest republic, are needed as never before by an imprisoned humanity. For many—perhaps most—peoples of the earth, those behind the Iron Curtain and in other enslaved nations, this Library remains the only place where they can freely learn about themselves.

This crisis has not been created by the Library of Congress. Our nation's library remains respected and envied worldwide. The crisis has not been created by inexpertise, neglect, waste, indolence or dishonesty in the Library of Congress. It has been created by the Congress, the same institution and the same people who have built this great Library, and to whom it belongs before all others.

LIBRARY'S FAST DESTRUCTION PREDICTED

If the announced budgetary policy is pursued for the Library of Congress, the nation's library—your main resource of knowledge and information—will quickly deteriorate. It has taken two centuries to build this institution. It can be disintegrated in a decade and destroyed in two decades. And so it will be unless the fiscal policy toward the Library is repaired and reversed.

This greatest Library on earth—a monument to our Founders' faith in knowledge, a byproduct of our nation's faith in freedom of inquiry, will become a byword and a symbol of a nation's lack of faith in itself, a symptom of a nation in terror and decline. Historians will not fail to note that a people who could spend $300 billion on their defense would not spend $18 million on their knowledge—and could not even keep their libraries open in the evening.

Historians will look with amazement and incredulity at a nation that could once afford to build grand structures bearing the names of Thomas Jefferson, John Adams, and James Madison—all lovers and champions of knowledge—yet decided it could no longer afford to acquire as effectively and abundantly as possible the current sources of knowledge. They will recall the last epoch of the Roman Empire when Romans were so fearful of the barbarians that they imitated the barbarians. These are not the priorities of civilization and freedom.

The two large retreats mandated on us by the Congress are both antidemocratic and antiknowledge. How can we justify or explain this to our people or to the world? Dare we say, simply, that our nation, perhaps the first nation on earth explicitly founded on knowledge, is now ready to disintegrate and destroy its own foundations? Knowledge is not a rock that we inherit from the geologic past; it is a living growing organism constantly in need of nourishment and renewal—the special task of your Library of Congress.

DISASTER CAN BE AVERTED

The disaster which I describe, the shame which will come on this nation, if the Congress pursues a policy of disintegrating its library, can be averted only if this committee restores in our 1987 budget the cuts made in 1986, and keeps your Library thriving and growing, to keep pace with the progress of knowledge and the need for information.

ALERT TO CONGRESS

Of course, it is within the power of Congress to proceed as it wishes. But it is my sworn duty under the Constitution to alert the Congress to what it is doing, and use all my efforts to save the Congress and all of us from a historic disaster.

The Congress has become understandably suspicious of all claims for priority on our nation's public resources. We have been told that the government should only take on what the government can afford. But I would respectfully suggest that the government can afford nothing, not one bomber or aircraft carrier. It is the American people who can or cannot afford. And the Congress determines the priorities in expending what they provide.

The fact that some claims of priority are ill-founded or bizarre does not mean that there are no priorities. The fact that special interests seek improper special consideration does not mean that there are no rational or patriotic priorities. Among these, alongside our nation's defense we must put our nation's knowledge. An ignorant nation, an incompletely informed Congress will not have the power to defend itself. Nor can a nation that undervalues knowledge hope to remain free.

I beg this committee to recognize that knowledge is not simply another commodity. On the contrary. Knowledge is never used up; it increases by diffusion, and grows by dispersion. Knowledge and information cannot be quantitatively assessed, as a percentage of the GNP. Any willful cut in our resources of knowledge is an act of self-destruction.

I said at the outset that I am not an alarmist but an honest person sounding the alarm. We have seen many groups march on Washington—farmers, advocates of school prayer, and many others—all witness to the constitutional freedom of all of us to petition our representatives in Congress. The strength—and the weakness—of the cause which I espouse on behalf of the Congress' Library and the world of learning is precisely that we do not speak for any special interest or any one party or opinion.

The cause of knowledge is the most general of all interests for a free people. The beneficiaries of knowledge, of the information supplied to Congress, and the free explorers of knowledge, are everywhere. Their largest numbers are still unborn. We will fail in our duty to our posterity if we do not hand on to them the fully stocked, properly organized treasure of wisdom of the past which it has taken us two centuries to accumulate.

As a servant of the Congress, I beg this committee to do what it can to repair the damage being done by budgetary cuts—to restore your great resource of knowledge, your Library, to its stature, its progress and its promise.

My eloquent predecessor, during the last World War, described the Library of Congress as a Fortress of Freedom. There can be no more accurate description of our proper role, and the priority that your committee should help restore.

AGREEMENT EXPRESSED

Mr. Fazio. Thank you, Dr. Boorstin.

You are playing the role of an intellectual Paul Revere. You have carefully written and delivered your strong feelings on the subject.

Several other members of this subcommittee tend to agree with you, myself included. Last year's budget was very tight for the entire Legislative Branch. We had to cut 11 percent from the 1986 requests made of this committee in order to freeze the budget. Subsequently, when Gramm-Rudman came along we were required to take deeper cuts in the 1986 funding. These cuts are very, very difficult to handle, particularly in the small agencies where most costs are for personnel and computers. These are programs which do not have large capital expenditures on a regular basis.

I share your alarm. It is appropriate that you come to us today and in the starkest possible terms point out these difficulties to both this committee and the Congress in general. And I hope this will help influence the President to try to reach a figure that is going to allow the Library to flourish.

We are in a situation in this fiscal year when supplementals will be difficult to enact. We have no idea what the mood will be when we come to the Floor with a Legislative Branch appropriation bill for the 1987 year.

I appreciate your comments about the support you have had from this committee. I was thinking back to the $81.5 million we appropriated for the renovation and restoration of the Library buildings in the very difficult year of 1984. I am pleased to hear that is going to bid. We will talk more about it today.

This committee, I hope, will continue to be a strong bulwark of support for the Library. I cannot in any way dilute the reality of what the atmosphere is in the Congress. This subcommittee—I am only aware of one exception—is made up of people who voted against Gramm-Rudman. A number of us have been deeply involved in the process of overturning it in the courts.

We do not want to underestimate the difficulty we would encounter under Gramm-Rudman.

I am glad you are being aggressive in pursuit of the Library's interest. It is the only way we will be effective in bringing to the attention of our colleagues the dilemma we face.

Because I know Mrs. Boggs feels as strongly about the subject as I do, I will yield to her.

MRS. BOGGS' COMMENTS

Mrs. **Boggs**. Thank you very much, Mr. Chairman.

Dr. Boorstin, I think your statement is a great salute to freedom and to the necessity of using knowledge to guard that freedom. Certainly, without an informed electorate, the people cannot make the proper choices in our democracy. Without the extension of our cultural heritage into the present and into the future, other nations, as well as our own people, will have no real knowledge of what our country, our system of government is truly all about.

The Library is a depository for the civilization of the whole world. To cut off any of the services that go to the dissemination of the knowledge and the defusion of the knowledge that is held within that repository is a very serious step.

I share Mr. Fazio's feelings about the difficulties that this Committee will have in the present climate in the House of Representatives. I hope that you and the friends of the Library will be vocal in various ways in order to make our tasks somewhat easier.

We share your distress. The Library is Congress' library. Therefore, the Library belongs to the people.

I am pleased that you have given such an impassioned plea. I hope that you will continue to articulate the problems that you perceive if we do not change the priorities of the budget to include those necessary items for the Library of Congress.

I am pleased to welcome the members of the Library staff who have come here this morning. I am happy to have you aboard. When you think of the excellence that is found in your organization and the contribution that the Library makes to the nation, it is unbelievable to me that we would so severely restrict expenditures so that you cannot give the nation the full extent of the Library's services.

Thank you very much.

Mr. **Fazio**. Thank you, Mrs. Boggs.

GENERAL LIBRARY BUDGET DISCUSSED

We should talk about the general Library budget, particularly the way in which Gramm-Rudman has impacted it, and later we can move to specific appropriation items in the Copyright Office, CRS, Library Services, et cetera.

Dr. Boorstin. Mr. Chairman, the Deputy, Mr. Welsh, has a summary statement of our budgetary requests. If you prefer, you can go to questions and this can be submitted for the record.

Mr. Welsh. I would like to have the full statement in the record. I will highlight it now. I rounded off the figures.

The total funds requested for the Library of Congress as presented in our 1987 estimates is $266,197,000, including authority to obligate $12,150,000 in receipts for a net request of $254,047,000. That amount represents a net increase of $44,392,000 over funds available in 1986—$9,420,000 of which was for restoration of the sequestration and $10,456,510 for restoration of the base cut in 1986. However, in light of our country's concern over the deficit we have carefully reviewed our requests and are reducing the request by $5,447,000.

SALARIES AND EXPENSES

Under Library of Congress, Salaries and Expenses, our principal appropriation, which funds the Office of the Librarian, Management Services, National Programs, the Law Library, Processing Services, and Research Services, we had requested $143,839,000, a net increase of $15,843,000. We are reducing our request for this appropriation by $1,627,000.

We are requesting $4,065,784 for certain personnel costs. Of that amount, $2,631,297 is being sought to allow us to fill 80 positions which we have lost because of base cuts in our salary accounts in 1986. Services of the Library to the public have been substantially reduced as a result of these forced vacancies.

PURCHASE OF BOOKS

For the Purchase of Books, we are requesting $4,892,000, an increase of $801,000 over funds available in 1986, including the restoration of the $626,000 sequestered under the Gramm-Rudman-Hollings Act, and $175,000 for current level.

PREPARATION OF BOOKS

For the preparation of books, we requested $45,000,674, an increase of $2,065,360. Of this amount, $1,280,000 is needed as restoration of the sequestered 1986 appropriation, and $637,900 is needed to restore the fiscal year 1986 base and for inflationary costs in nonpersonal services. We estimate that the impact of the sequestration would be that approximately 25,000 books a year would not be cataloged, making them unavailable for the Library of Congress, and the world of scholarship.

Under this heading, 37 catalog maintenance positions were abolished at a savings of $600,000. We are asking that one-third or $200,000 of that amount be restored in fiscal year 1987 to be used to maintain the automated catalog.

You will recall that this subcommittee approved three-year funding for the Library to initiate a program to catalog Chinese, Japanese and Korean language materials and to make this information available to research institutions through an on-line network. The program has been most successful and we are asking that this program be made permanent, but we are reducing our request to 9 of the 16 positions shown in the estimates, which is a reduction of $200,000.

CATALOGING DISTRIBUTION SERVICE

We had requested $8,910,763 to support the Cataloging Distribution Service in 1987, with authority to obligate $4,700,000 in offsetting receipts. This request included $441,000 for restoration of the sequestration but we are reducing this request by $100,000. $200,000 is requested to pay for the publication of an annual printed cumulation of *Library of Congress Subject Headings*. We estimate that fees received from the sale of technical publications and cataloging data will increase revenues by $400,000. We are requesting authority to use these additional receipts to offset that appropriation.

RESEARCH AND READER SERVICES

Under the appropriation for Research and Readers Services, we had requested $27,531,725, an increase of $1,047,140 over funds available in 1986. This amount was for restoration of the sequestered amount of $850,000, $21,600 for restoration of the base cut, and $169,876 for growing workload.

We are reducing our request for restoration of the $850,000 to $500,000. This $500,000 would allow us to reopen the general reading rooms, including the Law Library, on evenings and Sundays. Steps have been taken to abolish the National Referral Center and the 14 positions funded under the appropriation for Research and Reader Services.

We are requesting eight new technician positions to provide adequate reader support services during the renovation and restoration of the Thomas Jefferson and John Adams Buildings. These positions are essential to reader services during the necessary disruption of our reading rooms and collections. Also under growing workload is a request of $35,000 for the Law Library to have greater electronic access to commercially-produced legal and bibliographic information.

PRESERVATION OF LIBRARY MATERIALS

Under the appropriation for the Preservation of Library Materials, we are requesting a total of $7,046,633. All of the program areas in preservation were reduced in 1986, negatively impacting on the preservation program. During the fiscal year 1986, we will suffer a 25 percent reduction in our microfilming program, and we estimate that we will be unable to bind some 75,000 books.

AUTOMATED SUPPORT SERVICES

We are requesting $20,268,581 for automated systems support, an increase of $3,915,763. The major amounts in the increase are $1,200,000 for the recovery of the sequestration, and $2,300,000 for additional mainframe computer capacity to handle greatly expanding dependence on automation. Our ability to do more with less staff is directly related to automation, and it would be disastrous not to have needed computer capacity.

CENTRAL SUPPORT SERVICES

In the appropriation for Central Support Services, we had requested $29,909,980, an increase of $2,569,907. We are reducing the request by $400,000 of the sequestration. In the interest of economy, we will continue reduced levels of building services for cleaning schedules and other support activities.

As you will recall, this committee has expressed concern over the delays in processing equal employment opportunity complaints. In an effort to address this issue, the Library augmented on a temporary basis the staff in the Equal Employment Opportunity Complaints Office. We are requesting six permanent positions for the activity.

Mr. Fazio. Do you you want to make temporary positions permanent?

Mr. Welsh. No, that is not correct. What we did was ask each department to put up a job from their department. That was easy to do—before we had the overall reduction.

Now we are asking for six new jobs for that activity to replace the borrowed positions.

Mr. Fazio. Will you comment on the backlog in that department?

Mr. Welsh. Yes, sir.

Under the Office of the Librarian, the Library had requested $3,600,000 for the rental of space, $855,000 over the amount available in 1986, including restoration of the base cut of $305,000 and $500,000 for growing workload. We are requesting $500,000 to install a complete dehumidification system and new controls for the vaults at Wright-Patterson Air Force Base. This work is required to prevent permanent deterioration of film stored there.

AMERICAN FOLKLIFE CENTER

For the American Folklife Center, we are requesting an appropriation of $912,860, an increase of $79,000 over 1986. Draft legislation has been submitted to the Congress to extend the authorization for the center.

COPYRIGHT OFFICE

We had requested $18,428,000, of which $7,450,000 was from fees received, for the Copyright Office. The proposed increase of $1,523,000 included $726,000 for restoration of the sequestration and $110,000 for the base cut, and $429,201 for growing workload. We are withdrawing our request for 15 new positions which total $279,201.

The workload of the Copyright Office has increased 8 percent for the first three months of fiscal year 1986. The Copyright Office has handled these increases with no additional personnel by increasing productivity and automating the registration system. The reduction in 1986 funds resulting from the sequestration will delay the registration process several weeks.

The Register of Copyrights has had informal discussions with the appropriate legislative committees concerning legislation to increase the fee schedule. We would hope that increased fees, coupled with the authority to use them for the operation of the Copyright Office, would allow us to decrease Federal expenditures in the future.

CONGRESSIONAL RESEARCH SERVICE

For the Congressional Research Service, we had requested $44,010,000. Joe Ross, Acting Director, Congressional Research Service, will explain this in detail and will be reducing the request by $1,208,000. These budget requests have been reviewed and approved.

BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED

Books for the blind and physically handicapped, under this appropriation, we had requested $38,847,000, which includes $1,452,000 of the amount sequestered and $2,753,226 of the base cut. We are reducing this request by $2,333,000, and therefore request that it be supported at the level of $36,514,000. It is our goal to continue to provide high quality reading materials and the machines on which to play them. This is the minimum amount needed.

SPECIAL FOREIGN CURRENCY PROGRAM

For the Special Foreign Currency Program, there is a net reduction in the appropriation request of $406,000, which results from the anticipation of the end of the availability of foreign currency in Pakistan and the curtailment of acquiring materials without costs to other libraries. We will continue to acquire and ship material to participating libraries at their expense.

FURNITURE AND FURNISHINGS

Finally, we are requesting $15,983,000 for furniture and furnishings, of which $13,731,000 is to purchase furniture and equipment for the renovation/restoration of the Thomas Jefferson and John Adams Buildings. Sufficient lead time is needed to order and receive the furniture which must be placed in the renovated space prior to reoccupancy in order to begin the second phase of the project.

GENERAL STATEMENT

[The statement of Mr. Welsh follows:]

Library of Congress
Budget Request Justification, Fiscal 1987
Subcommittee on Legislative Branch
Committee on Appropriations
U.S. House of Representatives
February 20, 1986

The total funds requested for the Library of Congress as presented in our 1987 estimates is $266,197,000, including authority to obligate $12,150,000 in receipts for a net request of $254,047,000. That amount represents a net increase of $44,392,000 over funds available in 1986 -- $9,420,000 of which was for restoration of the sequestration and $10,456,510 for restoration of the base cut in 1986. However in light of our country's concern over the deficit we have carefully reviewed our requests and are reducing the request by $5,447,000, for a net request of $248,600,000, for 1987, an increase of $38,945,000 over 1986.

LC SALARIES AND EXPENSES

Under Library of Congress, Salaries and Expenses, our principal appropriation, which funds the Office of the Librarian, Management Services, National Programs, the Law Library, Processing Services, and Research Services, we had requested $143,839,000, a net increase of $15,843,000. We are reducing our request for this appropriation by $1,627,000, for a request of $142,212,000.

Mandatory Items

We are requesting $4,065,784 for certain personnel costs. Of that amount, $2,631,297 is being sought to allow us to fill 80 positions vacant which we have lost because of base cuts in our salary accounts in 1986. These positions are located throughout the Library, but are primarily found in the Research Services and Processing Services departments. Services of the Library to the public have been substantially reduced as a result of these forced vacancies.

For example, in Research Services, we have to vacate positions in already understaffed divisions such as the Loan Division, the General Reading Rooms Division, and the Collections Management Division. Backlogs of unprocessed receipts, including maps, microfilm, and motion pictures are developing. Our motion picture processing backlog has grown by 1,000 titles this year. In the Area Studies divisions, we have a vacant position in the Hispanic Division and most regrettably have been unable to fill the Russian specialist position in the European Division which became vacant because of a retirement. Two positions in the Preservation Conservation Office are vacant, thus slowing down the repair and renovation of rare books, maps, music, and manuscripts.

In the Law Library, vacant positions have caused us to delay processing current legal materials which are badly needed by Congress, the bench, and the bar, and 2 foreign law specialist positions are now vacant further reducing our expertise.

For Processing Services, we have had to delay publication of the National Union Catalog, because of necessary vacancies. We are building backlogs in the cataloging divisions, thus making material unavailable to our users, and we have serious backlogs of serial publications because of staff shortages.

Vacancies in our Automated Systems Office have caused delays in systems support to all departments of the Library and have created inefficiencies in our services.

Under Central Support Services, we have created vacancies in our exhibits and publications program, in the Collections Development Office, and we have an additional 15 support positions vacant in several divisions of Management Services.

The remaining part of the mandatory increase includes automatic pay increases (ingrades)($1,174,322), annualization of pay raises for foreign local staff ($156,600), and $103,565 for an increase in the Library's reimbursement to the Employees' Compensation Fund for job accident compensation.

Purchase of Books

For the Purchase of Books, we are requesting $4,892,000, an increase of $801,000 over funds available in 1986 including the restoration of the $626,000 sequestered under the Gramm-Rudman-Hollings Act, and $175,000 for current level. The latter is based on price escalations of 3.5 percent for materials for the general collections and 5 percent in the cost of law materials.

Preparation of Books

For the preparation of books, we requested $45,000,674, an increase of $2,065,360 over fiscal 1986. Of this amount $1,280,000 is needed as restoration of the sequestered 1986 appropriation and $637,900 is needed to restore the fiscal 1986 base and for inflationary costs in non-personal services. We estimate that the impact of the sequestration would be that approximately 25,000 books a year would not be cataloged making them unavailable for the Library of Congress.

Under this heading thirty seven catalog maintenance positions were abolished at a savings of $600,000. We are asking that one-third or $200,000 of that amount be restored in fiscal 1987 to be used to maintain the automated catalog.

You will recall that this Subcommittee approved three-year funding for the Library to initiate a program to catalog Chinese, Japanese, and Korean language materials and make this information available to research institutions through an on-line network. We are contributing 500 cataloging records per week to this network. We are asking that this program be made permanent, but we are reducing our request to 9 of the 16 positions shown in the estimates, which is a reduction of $200,000.

Cataloging Distribution Service

We had requested $8,910,763 to support the Cataloging Distribution Service in 1987, with authority to obligate $4,700,000 in offsetting receipts. This request included $441,000 for restoration of the sequestration but we are reducing this request by $100,000. $200,000 is requested to pay for the publication of an annual printed cumulation of Library of Congress Subject Headings. Because of improved marketing and new products, we estimate that fees received from the sale of technical publications and cataloging data will increase revenues by $400,000. We are requesting authority to use these additional receipts to offset the appropriation.

Research and Reader Services

Under the appropriation for Research and Readers Services, we had requested $27,531,725, an increase of $1,047,140 over funds available in 1986. This amount was for restoration of the sequestered amount of $850,000, $21,600 for restoration of the base cut, and $169,876 for growing workload. We are reducing our request for restoration of the $850,000 to $500,000. This $500,000 would allow us to open the general reading rooms, including the Law Library, evenings and Sundays. Steps have been taken to abolish the National Referral Center and the 14 positions funded under the appropriation for Research and Reader Services.

We are requesting 8 new technician positions ($134,876) to provide adequate reader support services during the renovation and restoration of the Thomas Jefferson and John Adams Buildings. These positions are essential to reader services during the necessary disruption of our reading rooms and collections. Also under growing workload is a request of $35,000 for the Law Library to have greater electronic access to commercially-produced legal and bibliographic information.

Preservation of Library Materials

Under the appropriation for the Preservation of Library Materials we are requesting a total of $7,046,633. This request is for restoration of the base cut of $647,700 in 1986; for a restoration of the sequestered amount of $600,000; and $36,500 for current level increases. All of the program areas in preservation were reduced in 1986, negatively impacting on the preservation program which includes the restoration and preventive treatment of major treasures, the transfer of information contained in deteriorating materials to media such as microform, the transfer of nitrate film to safety film, and the binding of library materials. During fiscal 1986, we will suffer a 25 percent reduction in our microfilming program and we estimate that we will be unable to bind some 75,000 books.

Automated Systems Support

We are requesting $20,268,581 for automated systems support, an increase of $3,915,763. The major amounts in the increase are $1,200,000 for the recovery of the sequestration, and $2,300,000 for additional mainframe computer capacity to handle greatly expanding dependence on automation. Because of reduced funds in 1986, we will be unable to replace old equipment and we have had to realign our automation priorities. We are also seeking funds to replace old and obsolescent terminals and disc drives, and to acquire additional terminal work stations to catalog on-line for greater efficiency. Our ability to do more with less staff is directly related to automation, and it would be disastrous not to have needed computer capacity.

Central Support Services

In the appropriation Central Support Services, we had requested $29,909,980, an increase of $2,569,907. This included a request for the restoration of $909,000 of the amount sequestered, $735,300 of the base cut, $211,500 of the current level, and $714,107 for growing workload. We are reducing the request by $400,000 of the sequestration. In the interest of economy we will continue reduced levels of building services for cleaning schedules and other support activities.

As you will recall, this Committee has expressed concern over the delays in processing equal employment opportunity complaints. In an effort to address this issue, the Library augmented on a temporary basis the staff in the Equal Employment Opportunity Complaints Office. We are requesting six permanent positions for the activity in Management Services.

Under the Office of the Librarian, the Library had requested $3,600,000 for the rental of space, $855,000 over the amount available in 1986, including restoration of the base cut of $305,000 and $500,000 for growing workload. We are reducing this request $177,000 because we are vacating a warehouse building. Available funds in 1986 because of the base cut were not adequate to properly maintain our rental space. In addition we are requesting $500,000 to install a complete dehumidification system and new controls for the vaults at Wright-Patterson Air Force Base. This work is required to prevent permanent deterioration of film stored there.

American Folklife Center

For the American Folklife Center we are requesting an appropriation of $912,860, an increase of $79,000 over 1986. Draft legislation has been submitted to the Congress to extend the authorization for the Center.

COPYRIGHT OFFICE

We had requested $18,428,000, of which $7,450,000 was from fees received, for the Copyright Office. The proposed increase of $1,523,000 included $726,000 for restoration of the sequestration and $110,000 for the base cut, and $429,201 for growing workload. We are withdrawing our request for 15 new positions which total $279,201, reducing the request for growing workload to $150,000. The workload of the Copyright Office has increased 8 percent for the first three months of fiscal 1986. The Copyright Office has handled these increases with no additional personnel by increasing productivity and automating the registration system. The reduction in 1986 funds resulting from the sequestration will delay the registration process several weeks.

The Register of Copyrights has had informal discussions with the appropriate legislative committees concerning legislation to increase the fee schedule. We would hope that increased fees coupled with the authority to use them for the operation of the Copyright Office would allow us to decrease federal expenditures in the future.

CONGRESSIONAL RESEARCH SERVICE

For the Congressional Research Service, we had requested $44,010,000. Joe Ross, Acting Director, Congressional Research Service, will explain this in detail and will be reducing the request by $1,208,000. These budget requests have been reviewed and approved.

BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED

Under this appropriation, we had requested $38,847,000, which includes $1,452,000 of the amount sequestered and $2,753,000 of the base cut. We are reducing this request by $2,333,000, and therefore request that it be supported at the level of $36,514,000. It is our goal to continue to provide high quality reading materials and the machines on which to play them. This is the minimum amount needed.

COLLECTION AND DISTRIBUTION OF LIBRARY MATERIALS

(For Overseas Operations)

For the Special Foreign Currency Program there is a net reduction in the appropriation request of $406,000 which results from the anticipation of the end of the foreign currency in Pakistan and the curtailment of acquiring materials without cost to other libraries. We will continue to acquire and ship material to participating libraries at their expense.

FURNITURE AND FURNISHINGS

Finally, we are requesting $15,983,000 for furniture and furnishings, of which $13,731,000 is to purchase furniture and equipment for the renovation/restoration of the Thomas Jefferson and John Adams Buildings. Sufficient lead time is needed to order and receive the furniture which must be placed in the renovated space prior to occupancy in order to begin the second phase of the project. Under this appropriation we are also requesting $38,000 for the restoration of the sequestration and $932,100 for growing workload.

IMPACT OF GRAMM-RUDMAN

Mr. **Fazio**. Last year, 3 percent of the cut was for furniture deferred because we did not think it would be needed.

We anticipate that you would make that request at a time closer to completion of the restoration project.

Mr. **Welsh**. Yes, sir.

Mr. **Fazio**. Dr. Boorstin, will you discuss with us the impact the Gramm-Rudman cuts on the activities of the Library? You touched on them in your introductory remarks.

I am particularly concerned about the 300 positions that have been eliminated, including some RIFs.

Will you describe those reductions and their impact on services to the general public?

Some people have contacted the committee to indicate that they feel the cuts were directed at the lower level of Library staffing and insufficiently at the management level. You can respond in general to that critique.

Dr. **Boorstin**. I would be glad to, Mr. Chairman. Bill, would you want to give us details?

Mr. **Welsh**. If I may offer for the record, Mr. Chairman, one of our special announcements which we issued on February 3 which, in fact, deals directly with the question of the impact of the cuts.

[The announcement dated February 3, 1986 follows:]

OFFICE OF THE LIBRARIAN
SPECIAL ANNOUNCEMENT

No. 86-11 February 3, 1986

Subject: Reductions in the Library's Operating Costs

The Library is initiating a series of actions to reduce its operating costs for fiscal year 1986. These steps are necessary because of an anticipated reduction in the Library's appropriation by $9.9 million on March 1, 1986, based on a Presidential sequestration order in conformance with the Balanced Budget and Emergency Deficit Control Act of 1985 (see Special Announcements No. 86-1, January 10, 1986, and No. 86-9, January 27, 1986). The steps enumerated below are illustrative of the actions the Library must take to accomplish this goal and do not constitute a comprehensive statement of action.

1. Funds for the Congressional Research Service are being reduced by $1,675,000. This will result in a curtailment of support to Congress in virtually all aspects of the Service's work.

2. Hours of service in the general reading rooms will be reduced from 77 1/2 hours to 54 1/2 hours per week (see Special Announcement No. 86-10, February 3, 1986), including the elimination of Sunday and holiday service.

3. All Library buildings will be closed on Sundays and holidays.

4. Certain doors to Library buildings will be closed to control salary costs incurred by the need for the Special Police to staff these entrances/exits.

5. The Library's work force will be reduced by approximately 300 staff members through reductions in force, termination of some staff serving in their periods of conditional appointment, early termination of some staff serving with ending date appointments, and sharp curtailment of appointments to replace staff members leaving through normal attrition. Staff members being separated involuntarily will be given specific notice of the action to be taken and the effective date as provided by Library Regulations and existing collective bargaining agreements.

6. The budget for preservation of library materials is being reduced by $600,000, or 16.4 percent. These reductions will occur in bookbinding, motion picture preservation, microfilm preservation, and general paper conservation programs.

7. Funds for the automation of Library services are being reduced by $1.2 million, or 6.8 percent. The reduction will affect the purchase of computer terminals and microprocessors as well as the rental of software and related services.

LIBRARY OF CONGRESS

8. The budget for the purchase of books and Library materials is being reduced by $626,000, or 13.3 percent. The reduction will affect the purchase of new books of research value, serials and periodicals, microforms, maps, and recordings. Gaps in our present holdings will not be filled and purchase of rare and unique materials will be minimal.

9. Funds for the Copyright Office are being reduced by $726,000. The impact on the copyright community served by the Office will be felt in delays in issuing certificates of registration and in cataloging registrations to create a public record.

10. The budget for the National Library Service for the Blind and Physically Handicapped is being reduced by $1,452,000. This will result in cuts in the number of talking and braille books produced for use by the blind and physically handicapped persons served by this program. For example, ceilings will be placed on all braille and recorded magazines, permitting new subscriptions only when current users leave the program or drop a magazine. Further, cassette book production will be lowered by 100 titles--80,000 copies. Press and handcopy braille production will be lowered by 110 titles--2,120 copies.

11. Staff reductions in the Library's cataloging divisions will result in reduced cataloging output of approximately 25,000 books per year, or about 14 percent. This will impact Research Services, the Law Library, and the Congressional Research Service as well as libraries throughout the world that subscribe to our cataloging data in card, book, and machine-readable form.

12. The Library will vacate a warehouse located in Alexandria, Va., resulting in an annual savings of $177,000. Shelving and other material stored there will be disposed of or placed in other buildings.

13. A reduction in costs is being made in virtually all allotments for travel, supplies, printing, equipment, and contract services.

In addition to the cost reduction and cost avoidance measures described above, the Library is in the process of determining optional employee eligibility for early retirement for those who might qualify. A separate announcement will be made on this subject. Employees planning regular retirement this fiscal year are encouraged to advise their department offices, via their division chiefs, of their intentions so that the Library may use that information for planning during this fiscal emergency.

It may also be necessary to furlough staff members without pay if the actions set out above do not produce sufficient reductions in expenses. It is not likely that furloughs would be more than three days during fiscal 1986, and, in some appropriations, it is not likely that any furlough of staff will be required. If needed, furloughs will be announced well in advance and will be spaced out so that no more than one day's pay will be lost in any one pay period.

ACROSS-THE-BOARD CUTS

Mr. **Welsh**. As I said in my remarks, the cuts have been across the board. Almost every activity has been affected in some way. As I indicated, the Division for the Blind and physically handicapped, Congressional Research Service, closing of the Library buidings, reduction of our acquisition program, reduction of cataloging. Three hundred lost jobs will be the end result, which we anticipate will happen by the end of the year.

We have reduced the staff at this moment by 111; 70 by actual riffing; there were two program areas where we decided we could eliminate the program and thus reduce staff.

One was, as I said, the National Referral Center. We thought it was a lower priority program than some of the activities we wanted to maintain. The other was in the maintenance of the card catalog. We were going to do this next year. We decided to advance that one year.

Mr. **Fazio**. You are pushing that into the future?

Mr. **Welsh**. Yes, sir. What we tried to do was minimize the effect on our staff to the fullest extent possible by, first of all, eliminating conditional employees, people with ending dates, temporary employees. The number of permanent positions we have eliminated has been 70 at the moment.

Mr. **Fazio**. What is the National Referral Center? It did not seem to rank as high in priority.

Mr. **Broderick**. The National Referral Center creates a data base which is available on Scorpio about other organizations throughout the country and their services. There are many organizations represented.

What the National Referral Center has done is answer inquiries in which they directed inquirers to the Library to other sources of information. You have to make choices, of course. What we propose to do is continue the data base itself and the maintenance of that data base, which is available to our staff throughout the Library, and provide the referral service as best we can through our General Reading Rooms Division and the Science and Technology Division.

Mr. **Fazio**. Essentially, that will impact the public, but they will be referred to another institution geographically closer which will meet their needs.

Mr. **Broderick**. That is correct.

Mr. **Fazio**. Mrs. Boggs.

Ms. **Boggs**. There are many institutions throughout the country who have made expenditures on their own in order to tie in to the Library's service. I think it will have a very serious impact upon them.

Mr. **Fazio**. Regarding the card catalog project, that also impacts local libraries, doesn't it?

Mr. **Welsh**. Our entire acquisition program is designed to acquire materials for the Library of Congress, catalog them and distribute the cataloging information to libraries throughout the country.

Mr. **Fazio**. That is another example of the efforts made that strengthens the library system in the entire country.

These areas do impact libraries and people who use libraries all across the country.

Mr. **Welsh**. We have linguistics skills, subjects skills that are not, in fact, duplicated any other place in the world.

CUTS AFFECT LOWER LEVELS OF LIBRARY

Mr. **Fazio**. You may want to comment further on the assertion that the cuts were made not in management levels but in the lower levels of the Library.

There are those who maintain that the Library was slow to deal with the affirmative action movement through the years. When the reduction proposals were made earlier this month, you indicated that the rules under which you operate, that serve as protections essentially, mandate that the more recently hired are the first fired. That policy does tremendous damage to the percentage of minorities and women in the Library's work force. I am not trying to put words in your mouth.

Mr. **Welsh**. That is exactly what I told you. The system, in effect, does work against minorities. There was a concern, and this has been recently expressed—the question was raised why we appointed Ruth Ann Stewart this particular time.

It was our judgement that the Library must continue to live and to function. We needed someone of her expertise to head a very important segment of the organization.

Mr. **Fazio**. I have no knowledge and, therefore, would make no comment of Ms. Stewart and her contribution to the Library.

There are those who say, however, when you create new management positions at the same time you are eliminating positions.

Mr. **Welsh**. We did not create a new management position. We filled an existing vacancy. Carol Nemeyer left. We decided to fill that job.

On the other hand, there is a senior job, a GS-17 in Research Services, we decided not to fill for the same reason or concern.

We have an analysis of the jobs that have been affected which will be submitted for the record.

DEPUTY LIBRARIAN'S APPROVAL

Mr. **Fazio**. Agencies are required to use the freezing of job slots to meet reductions in personnel costs. We are freezing positions in the Legislative Branch, as are agencies throughout the Federal Government.

We certainly don't want to hamper flexibility, but there has to be some very rigorous consideration of whether or not vacant positions need to be filled while under budgetary constraints.

Mr. **Welsh**. Every job to be filled must receive my approval. It must come up through the hierarchy with a justification of why that must be filled. This has been true since—for quite a few months now. In July we started that.

The problem, Mr. Chairman, of attrition is more difficult because that is a random approach. What happens is that the turnover, at the lower scale, is a lot higher than at the top of the scale. We are using attrition to the largest extent possible to keep the best staff we have.

FURLOUGH POSSIBILITY DISCUSSED

Mr. **Fazio**. I would like to ask you about the use of furloughs. It was felt that, particularly because of the language that was used in the Gramm-Rudman bill and report, furloughs should be used before RIF's, which should be a last resort.

Could you comment about the way in which you have dealt with the termination of these 300 individual jobs? Did you do all the furloughing you could?

Mr. **Welsh**. The 300 people, some of them are still on board. There are only 111 that have received notice on being terminated. Only 70 of those have been riffed.

We gave much thought to this. But I was not optimistic that the budget problem that we face in 1986 was going to disappear in 1987.

Mr. **Fazio**. You are correct.

Mr. **Welsh**. Furlough does not address the question of the 1987 problem. So we decided to combine this. We have allowed for three days of furloughs in conjunction with three holidays. If we need to furlough the staff at a later date, we will do that. But we are going to spread it out over a period of several months in order to impact the staff as little as possible.

Furlough is a discriminatory approach, in my judgement. It hits everybody, the lower grade people, the people who can least afford a furlough. We are using it as a court of last resort.

Mr. **Fazio**. I want to reiterate that the Gramm-Rudman legislation attempted to prioritize the types of personnel activity that would be appropriate. The intent was to place furloughs before RIF's.

Mr. **Welsh**. May I respectfully disagree?

Mr. **Fazio**. I disagree with Gramm-Rudman, too.

Mr. **Welsh**. In the legislation that finally passed, there is no reference to furloughs. The conference report did say that, but it did not mention riffing.

Mr. **Fazio**. Director Miller made that point in a number of hearings on the Hill. I would like to submit questions for the record.

[The questions and responses follow:]

REQUIRED FURLOUGH DAYS

Question. How many furlough days would have to be used to achieve the savings you will get from actual reductions-in-force?

Response: The estimated number of days of furlough required to avoid involuntary separation of permanent, indefinite, and temporary staff are as follows:

Salaries & Expenses, Library of Congress	3 to 4 days
Copyright Office	2 days
Congressional Research Service	3 to 4 days

Question. How many furlough days would be necessary to achieve the savings you will get from laying off permanent staff?

Response: Termination of permanent staff is currently limited to positions funded by the Salaries and Expenses, Library of Congress, appropriation. The estimated number of days of furlough required to achieve the amount of savings from separating these permanent staff is two days.

ASSOCIATE LIBRARIAN FOR NATIONAL PROGRAMS

Mr. **Fazio**. Let's proceed.

Dr. BOORSTIN. Since we mentioned Ruth Ann Stewart, I would like to take this opportunity to explain the importance of filling the position which was vacated by the departure of Carol Nemeyer, then Associate Librarian for National Programs.

We did not create a new position. We felt it essential to fill that particular vacant position because that is for national programs, and that is the office which coordinates the publications, the exhibits, service to libraries, and to the blind and physically handicapped, and all these activities require coordination, initiative, and imagination if we are to economize most effectively and use our resources wisely.

It would have been a great mistake to leave that position vacant. There is one position which—I don't know whether you mentioned it, the position of Assistant Director for Special Collections. This position we are not filling.

That is a relatively high level position we are leaving vacant for the present.

Mr. FAZIO. I appreciate that.

Dr. BOORSTIN. While we are talking about Ms Stewart, this is probably as good a place as any to insert her biography.

[The biography of Ms. Stewart follows:]

RUTH ANN STEWART, ASSISTANT LIBRARIAN FOR NATIONAL PROGRAMS

Ruth Ann Stewart, Associate Director for External Services of the Research Libraries of New York Public Library, has been appointed Assistant Librarian for National Programs effective April 14, 1986. She succeeds Carol A. Nemeyer, who resigned last May.

Ruth Ann Stewart has been associated with New York Public Library since 1970. In her present position, which she has held since 1980, she has been responsible for a variety of activities, including the publications programs and a cooperative resource sharing program utilizing local, regional, and state reference and interlibrary loan networks. She serves on the seven-member management team that advises the Andrew W. Mellon Director of the New York Public Library on the overall operation of the Research Libraries.

From 1970 to 1980, she was Assistant Chief of the Schomburg Center for Research in Black Culture of New York Public Library, where she managed the daily operations of that preeminent collection of Afro-American, African, and Caribbean materials. She was responsible for a range of administrative tasks, including budget, collections development, reference services, long-range planning, public relations, and legislative action.

A native of Chicago, Ill., she attended the University of Chicago and received a bachelor of arts degree from Wheaton College, Norton, Mass. She earned a master's degree in library science from Columbia University. She has pursued additional education at Simmons College, Fisk University, and the Harvard University Management Development Program, among others.

She is the author of *Portia: The Life of Portia Washington Pittman, the Daughter of Booker T. Washington* (Doubleday, 1977) and numerous professional articles, reviews, and catalogs. She has served on many boards for a veriety of educational, cultural, and governmental institutions, including the National Park Foundation and Wheaton College. She holds memberships in the American Library Association, the Society of Scholarly Publishing, the International Group of Publishing Libraries, and the Council on Foreign Relations. She is also a member of the Visiting Library Committees at both Harvard University and the Massachusetts Institute of Technology.

Besides her experience with the New York Public Library, Ruth Ann Stewart worked as a product manager, The Macmillan Co., and as Head Librarian, Biological Sciences Library, Columbia University. She began her library career as an assistant cataloger at the Oliver Wendell Holmes Library, Phillips Academy, Andover, Mass.

PROBLEMS CREATED

Dr. **Boorstin**. Mr. Chairman, as I look at the grades of those riffed, it will indicate a very wide range with, if anything, an emphasis on the higher than the lower grades.

Mr. **Fazio**. Bill, if you could briefly summarize what the distribution of these reductions would be, it might be useful. We realize that the reductions place tremendous pressure on the Library. It will exacerbate latent or extant problems of morale and distribution of work load within the Library.

Those problems should be anticipated. I don't like it, but it is a good opportunity to deal with some of the problems.

Mr. **Welsh**. There is also the problem of simple communication. Until we got that report two days ago, in anticipation of the question, we did not know exactly what the range was. We are now prepared to answer the question.

Mr. Curran.

Mr. **Curran**. First of all, we should make the distinction between what we call RIFs and termination of people with conditional status.

Only 70 people out of the 300 referred to are being reduced in force. The fact of the matter is, of those 70, probably 55 or 60 will retain jobs in the Library. That is the way the system and the law works.

We abolish a GS-13 job. That person is not likely to leave the staff. They will simply bump someone with less seniority; somebody at a grade 5 or 6 or 7 level, at the bottom of that series, say librarian series, is likely to leave. It is a matter of tactics as much as anything else at this point.

We have, in fact, abolished positions of persons at grades 13, 12, 14, 11, 9, 8, 7, 5, quite a lot of 13's and 12's.

The average grade is probably on the order of about 9, which is the average grade for the Library as a whole.

Mr. **Fazio**. What you are saying is that, as these reductions in force play out in bumping rights, the lower level people will be the ones affected.

Mr. **Curran**. Junior people. You can abolish my job today, but all I will do is bump somebody sitting behind me.

Mr. **Fazio**. It will be somebody who came on board a year or so ago.

Mr. **Curran**. Actually, I could retire, if I wished.

Mr. **Fazio**. My point is there is no way to preserve the jobs of people at the bottom of the spectrum with this approach. Eventually, they will be laid off?

Mr. **Curran**. Yes, sir.

Mr. **Fazio**. Removing people at the top does not solve that problem. It may be good for morale in the sense that employees at all levels are affected, but it does not solve the problem of the last hired-first fired syndrome?

Mr. **Curran**. Not under the present law in practice. I am sorry. I am not sure I answered your question.

Mr. **Fazio**. I understand it.

Are there any other questions on this subject, or would anyone else like to comment?

We will move on to a number of other items.

RESULTS OF RIF REVIEW AWAITED

Ms. **Boggs**. When we do review the RIF's, will we have an overview of what has happened as far as minorities are concerned?

Mr. **Fazio**. That is important. We should have statistical information on the minority employees who are being affected.

It is appropriate to know from the affirmative action standpoint what impact the reductions have had on minorities and women.

Mr. **Welsh**. Unfortunately, one of the persons identified in the catalog maintenance area is a black woman who has been around many, many years.

As Don said, she won't lose her job. She could possibly retire. It is an example of a program reduction as distinct from another type of reduction.

Mr. **Fazio**. I am also interested in the impact on retirements. It is one of my theories, particularly with the tax bill affecting the taxation of annuities, and other potential changes to the retirement system, including the COLAs for people currently retired, that we may find a larger number of people seeking retirement.

Mr. **Welsh**. We have encouraged some senior people to retire, made it attractive, as a matter of fact.

Mr. **Fazio**. What can you do to make it more attractive?

Mr. **Welsh**. I would prefer not to answer that question. I would be glad to meet with you privately.

Mr. **Fazio**. That will be fine.

[The retirement and RIF information follows:]

STAFFING ANALYSIS

The following figures compare the number of retirements for two periods of time:

Retirements from October 1, 1984 through March 3, 1985 (for comparison):	
Total	29
Average Grade	9.7
Female (percent)	51.7
Minorities (percent)	31.0
Retirements from October 1, 1985 through March 3, 1986:	
Total	25
Average Grade	12.2
Female (percent)	28
Minorities (percent)	12

For the period October 1, 1985 through March 3, 1986, the Library has ascertained that 2 of the 25 retirees retired for RIF related reasons, 1 GS-5 minority female and 1 GS-12 white male. A final report and analysis will be submitted as soon as final figures are available.

Since all of the actions have not yet been completed, the Library can only present an interim report at this time. A full, final report and analysis shall be submitted to the Committee upon completion of the actions.

Of the 111 staff members involved in the separations, 41 of them did not have reduction in force (RIF) rights because of their temporary, term appointment, and conditional status. Their particular status is covered by regulation and/or collective bargaining agreements. The remaining 70 staff members, because of their appointment status, are covered by RIF rights which are based primarily on seniority (according to Library of Congress Service Computation Dates) and are covered by regulation and/or collective bargaining agreements.

The Library of Congress demographics are as follows:

Library of Congress Staff on January 1, 1986

Total	5,191
Average Grade	9.1
Female (percent)	51.3
Minorities (percent)	43.2

The demographics of the 41 temporary, term appointment, or conditional staff follows:

Total	41
Average Grade	6.8
Female (percent)	60.9
Minorities (percent)	43.9

Based on this particular population of 41 staff members, there is no statistically significant deviation as far as minorities are concerned. There is a 9.6% difference between the percentage of women on the staff of the Library and the percentage of women separated. Based on these figures and Z-score analysis (a standard test for statistical significance), there is no statistical significance in the difference between the percentage of women involved in the separations and the percentage of women on the Library's staff.

As far as the 70 staff members involved in the RIF, the Library can only provide the statistics and status of the RIF on the initial notices of separation and first series of displacements ("bumps") of occupied positions and placements into vacant positions. The report follows:

Permanent and Indefinite Staff Affected by First Round of Reduction-in-Force:

Total: (include 1 retiree)	70
Average Grade:	7.6
Percentage Female: (percent)	61.4
Percentage Minorities: (percent)	68.5

Subtotals Of the 70 staff receiving RIF letters:

Offered Vacant Positions:

Total:	25
Average Grade:	7.5
Percentage Female: (percent)	76
Percentage Minorities: (percent)	72

Offered Occupied Positions:

Total:	41
Average Grade:	7
Percentage Female: (percent)	51.2
Percentage Minorities: (percent)	70.7

No Offers as of March 5, 1986:

Total:	3
Average Grade:	10.3
Percentage Female: (percent)	100
Percentage Minorities: (percent)	66.7

Retirement:

Total:	1
Average Grade:	12.0
Percentage Female: (percent)	0.0
Percentage Minorities: (percent)	0.0

Permanent and Indefinite Staff Affected by Second Round of Reduction-in-Force:

Total:	41
Average Grade:	6.1
Percentage Female: (percent)	60.9
Percentage Minorities: (percent)	48.7

The figures show that 25 of the 70 staff members were offered vacant positions. The percentage of female staff members (60.9%) involved in the second round of the RIF is the same as the percentage of women in temporary, term appointed, and conditional status who were separated. The percentage of minorities (48.7%) in the second round dropped significantly from the first round percentage (68.5%) because of their seniority on the Library staff.

As stated a final report and analysis will be submitted to the Committee at the conclusion of the RIF. The information thus far suggests that there is no statistically significant impact on women and minorities who have been separated from the staff.

NON-FEDERAL PARTICIPATION IN LIBRARY PROGRAMS

Mr. **Fazio**. Last year we mentioned the potential value of non-federal participation and revenue enhancement for Library programs. You began in the last year to provide us with some information about the extent of your efforts in this area including the Library's cultural programs, corporate sponsorships, things of that sort.

Would you describe those activities? At the National Galleries, AT&T and Ford have enhanced the cultural attraction of Washington.

The Smithsonian engages in this activity. The Library appears to be slow to move in this direction, but we are encouraging you. I hope we can get additional participation in the enhancement of Library programs. Will you comment on that?

Dr. **Boorstin**. Mr. Chairman, I will be glad to provide you with a statement I made to the President's Committee on Arts and Humanities on collaboration of the private and public sector which has been the story of the Library of Congress and which is conspicuously demonstrated in many of our programs.

[The statement of Dr. Boorstin follows:]

Statement of Daniel J. Boorstin
Librarian of Congress
Plenary Meeting IX of
The President's Committee on the Arts
and the Humanities
June 19, 1985
Washington, D.C.

The mingling of private and public concerns is a distinctive and especially fertile feature of American life. Trying to separate the private from the public "sector" is like trying to separate two black cats in a dark room. Today we must avoid the alien metaphysic of the "private sector" vs. the "public sector" and try instead to grasp the rich realities of American experience.

For knowledge and culture—for the arts and the humanities—there is an even more universal reason for not confining our discourse to that sterile distinction. The commodities of knowledge and the arts, unlike those of the factory and the marketplace, increase and multiply by diffusion. An automobile or a house must be possessed by one person or another, but knowledge and the arts are not that way. Knowledge is the most public—and yet the most private and personal—of possessions. The arts fulfill themselves only by being made public, and yet they have no purpose unless they have become for each of us intimately personal. So we must abandon the seductive neatness of the economists' textbooks and the OMB which stultifies our thinking about the arts and the humanities.

The Library of Congress is, in many ways, a parable of the distinctively American approach to the arts and humanities. Though substantially and primarily supported by appropriated funds (now some $250 million a year) the Library has grown and flourished only by continuing private gifts. Unlike other government agencies, the Library is authorized to receive funds from private sources either for current expenditure or through the Library of Congress Trust Fund Board, for investment and long-term use toward our proper purposes.

Our private and our public purposes converge. For we at the Library of Congress are in the knowledge-business. We hope to increase knowledge by diffusing it, and to enrich the arts and sciences by awakening everybody to them. Except for the routine activities of acquisition, cataloging, and retrieval we cannot apply the familiar tests of cost-effectiveness. Who can put a dollar-value on what Americans—reading our past, enjoying our photographs, hearing our music, gazing at our manuscript treasures—gain by understanding the nature, the drama, the heroism, the struggles, the frustrations and achievements of Americans before us? Who can assess the value of Americans seeing the struggle of Whitman to write his *Leaves of Grass*, of Lincoln to compose his "Gettysburg Address," of the photographic beauties of Ansel Adams, of the efforts of Mary Pickford and her producers to reinterpret life and love, of the Gershwins at work translating American experience into music? These experiences are invaluable, priceless, and essential to our national well-being precisely because they cannot be quantified.

In my few minutes this morning, I will try only to suggest the varieties of convergence of private and public concerns at the Library of Congress in its last two centuries. These samples, I hope, might help us loosen our imaginations about our fluid and effervescing American cultural resources.

When Charles Eames died in 1978, we lost one of the great unclassifiable geniuses of our time. His versatility—as industrial designer of the chairs we enjoy daily, as a moviemaker, as a conceiver of the great Franklin-Jefferson exhibit for our Bicentenary, as a writer of vivid books—has had few equals. What a waste if this 20th-century American Leonardo and the breadth of his achievements should be lost to future Americans! Ray Eames, his wife and collaborator, agreed with us. As a result the Library of Congress is receiving the record of Charles Eames' full-bodied work. We are one of the few institutions equipped to deal expertly with and preserve the many formats in which he created. There was, however, an indispensable third party to this transaction—the IBM Corporation, for whom he made some of his most original products. With the vision characteristic of our great American enterprises, IBM has given the Library of Congress a half million dollars to help us organize and exhibit Charles Eames' works, to publish catalogs, and to insure that his unique greatness will survive in the American memory and imagination. This was an achievement of the American community.

A half-century earlier, my predecessor, Herbert Putnam, had a vision of a catalog which would tell the whole world of learning what books were available in all the principal American libraries. This was to become the *National Union Catalog*, an enormous undertaking, by far the largest bibliographic enterprise in world history, now reaching some 1600 volumes. It is to be found in every major library on the planet. By contrast with the flamboyant creativity of Charles Eames this project might have seemed discouragingly prosaic. But it awakened the imagination of John D. Rockefeller, Jr., himself, who made a gift of $50,000 a year for five years to publish the epoch-making work. Mr. Rockefeller, a careful man, as Librarian Putnam explained, did not give his money "merely upon impulse." A full year's investigation had convinced him that "only by the application of resources more substantial than could be expected from the Public Treasury could this work expand into a dimension of large general utility." The *National Union Catalog*, a characteristically American research tool, has been carried on with appropriated funds since 1933. This again was an achievement of American community.

* * *

Examples of the converging of private and public interests at the Library of Congress are countless, as vast and as miscellaneous as civilization. Almost as soon as it was founded by law in 1800, the Library of Congress began receiving private gifts. Among the first were a copy of "The evidence of the trial of Aaron Burr, for treason, at Richmond in Virginia, 1807, as laid before Congress by the President of the United States," presented by President Thomas Jefferson himself and "Two copies of the Leyden Gazette for the year 1807," presented by James Madison, then Secretary of State. After the British burned the Library in the Capitol in 1814, Jefferson offered his personal library to the nation at any price they wished. While some members of Congress objected that there were too many subversive books in foreign languages, wiser heads prevailed and his 6,000 volumes were bought at a bargain price with each volume assessed according to its size. Jefferson's cosmopolitan interests laid the basis of our national library—which must be international to serve our Nation of Nations.

During the 19th century, the Library continued to profit from the artistic and scholarly interests and patriotic devotion of our citizens. The remarkable collection of Dr. Joseph Meredith Toner, a Washington physician and antiquarian, accepted by a joint resolution of Congress in 1882, gave us some 43,000 books and pamphlets including one of the largest collections of medical literature that had ever been gathered by an individual. In rapid succession we received the John Boyd Thacher collection of incunabula—books printed before 1500—and works on American exploration and the French Revolution; the Ephraim Deinard collection of Hebraica; 8,000 volumes of Spanish drama from the Hispanic Society of America; the Emil Krebs collection of 2,800 works on Asiatic linguistics; the Leonard Kibler collection of first editions of Cervantes, Dickens, Washington Irving, and other authors; the 9,000 volumes of President Wilson's private library presented by Mrs. Wilson; and Alfred Whital Stern collection of Lincolniana; the delightful Jean Hersholt collection of Hans Christian Andersen.

The Copyright Office was established in the Library of Congress in 1870 pursuant to the constitutional power (Article 1, section 8) "To promote the Progress of Science and the useful Arts by securing for limited times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." The Register of Copyrights with some 500 expert colleagues at the same time encourages artists, composers and writers and collects their works in the Library of Congress for all our benefit. Each year the Library receives some 600,000 items—available for selection for the collections—including books, graphics, photographs, motion picture films, musical recordings, and tapes and TV programs.

As if to dramatize and confirm a great American tradition, Lessing J. Rosenwald, the son of Julius Rosenwald who himself was an imaginative philanthropist and a founding supporter of libraries, became one of the most generous and most beloved Library benefactors in our history. He gave us some 3,000 books spanning five centuries, with many priceless rarities, a grand unsurpassed collection revealing the history and beauties of the illustrated book. He also gave us the Mainz Bible, one of the last and one of the greatest manuscript Bibles (1453) which I hope you will all come to see in the Library's Great Hall. The Mainz Bible shows us the elegance that the industrious Gutenberg almost succeeded in imitating. Lessing Rosenwald, unlike many collectors, delighted in seeing students handle his priceless treasures and share intimately the delights of the age when they were made.

With the establishment of the Library of Congress Trust Fund Board by an act approved March 3, 1925, Congress greatly increased the Library's scope as a cultural force in the life of the nation. The gift procedure was institutionalized. In this community-drama of philanthropy at the Library women have played a heroic role. In 1924, Mrs. Elizabeth Sprague Coolidge, "The Lady Bountiful of Chamber Music," offered funds for a chamber music auditorium in the Library building, and then established an endowment for the commissioning and performing of chamber music. The composers whose major works were commissioned by the Coolidge Foundation are a Who's Who of 20th-century music: Bartok, Schoenberg, Copland, Britten, Hindemith, Ravel, and Stravinsky. Such projects, Librarian Herbert Putnam explained to Congress, "are absolutely consistent with the scheme and policy of the Library as a National Library. . .which is, not to duplicate local or ordinary effort, nor supplant it where the project is within its proper field and abilities, but to do for American scholarship and cultivation what is not likely to be done by other agencies... For material beyond the ordinary, in scope and form, material of distinction, the Library must look to private gifts, and to private endowment...."

The Trust Fund Board Act stimulated a wonderful range of endowed programs and projects at the Library of Congress. Archer M. Huntington, heir to the Central Pacific Railroad and the Newport News Shipyards, made gifts: to purchase books relating to Spain, Portugal, and Latin America; to establish a chair of Spanish and Portuguese literature; to equip and maintain a Hispanic Society Room; and to maintain a chair of poetry in the English language. The chair of poetry has been occupied since 1937 by the distinguished poets of our time—from Joseph Auslander and Robert Frost to Robert Penn Warren, Robert Fitzgerald—and Gwendolyn Brooks whom we welcome this coming September.

Mrs. Coolidge's rival in generosity was Gertrude Clarke Whittall, who came to Washington in 1934. The next year she gave the Library five Stradivarius instruments, said to be the richest such collection in this hemisphere. She established a Foundation in the Library for the care and use of the instruments, "use" to include the series of concerts which we continue to enjoy. She also made priceless gifts of musical and literary manuscripts to the Library and, somewhat later, an endowment fund to support our literary programs. The delights of these works have been diffused by a gift from Walter and Katie Louchheim to pay for their broadcasting.

The range and depth of the collections at the Library of Congress are unrivaled by those of any other national library and are themselves a product of converging the public and private interests. In the depth of the Great Depression in 1930, the Congress appropriated one and one-half million dollars for the purchase of books printed before 1500 and the Gutenberg Bible. One of our most generous benefactors has been a leading dealer in manuscripts and rare books, Hans P. Kraus. He has given us a unique collection of manuscripts relating to colonial Spanish America and more recently the Sir Francis Drake Collection. From others we have received the Alexander Graham Bell Family Papers, the music manuscripts of George and Ira Gershwin, the Mary Pickford motion picture collection with an endowment for programs in our Mary Pickford Theater, and on and on. It is impossible and pointless even to estimate the present dollar value of these gifts.

* * *

In the American tradition, we have been inventing some new devices to bring together private and public interests and make the collaboration more fruitful. Funds from the Rockefeller Foundation allowed us to establish our Photoduplication Service and the Carnegie Corporation provided for the establishment of our Recording Laboratory. In the last twenty-five years, the Council on Library Resources, Inc., has provided seed money for research in preservation and in the applying of automation and computer techniques to library operations. Both these programs are now supported with appropriated funds. One astonishing product of the collaboration of the Library of Congress with the privately supported Research Libraries Group has been a single compact computer keyboard for library cataloging in the Chinese, Japanese and Korean languages—never before believed possible.

Congress has helped the Library of Congress lead the way in preserving the materials of knowledge in the interest of the community of learning—appropriating 11.5 million dollars for the first building in history for the express and exclusive purpose of preserving books. A local foundation—the Morris and Gwendolyn Cafritz Foundation—over the last fifteen years has helped the Library of Congress to prepare guidebooks to our collections, and also has supported seminars like the projected symposium in the fall of 1986 on the American understanding of India.

Two important new enterprises at the Library are dependent on private support. The first, the Center for the Book, was established by an Act of Congress in 1977 to focus national attention on the treasures in our books, to stimulate reading, and to find new ways to enlist the electronic media to encourage reading. The Center, with the collaboration of CBS and ABC, has helped make television an ally in our efforts toward a literate, cultivated America. The "Read More About It" program reminds TV watchers of the delights in the world of books. The Center has been supported by Mrs. Charles W. Engelhard, by Time, Inc., by McGraw-Hill, and by numerous contributions from friends, authors, publishers and the printing industry.

The Council of Scholars, a group of 25 of the nation's most accomplished scholars, was established in 1980. These scholarly pioneers in all fields meet at the Library and help us assess the state of our knowledge and define the areas of our ignorance. Over the years these scholars will develop an ongoing inventory of knowledge for an age drowned in information. The Exxon Educational Foundation, Xerox Corporation, the Chevron Corporation, and the Reader's Digest Wallace Fund, the Foundation of the Litton Industries, the Witter Bynner Foundation, and the Charles B. and Flora L. Thornton Foundation have supported the Council. The work of the Council is unique and essential to help all our other institutions of research and learning to discover areas most neglected and most in need of exploration in our time.

The National Library Service for the Blind and Physically Handicapped in the Library of Congress, the most extensive such service anywhere, provides brailled books, recorded books, and machines on which to play talking books. The States provide the outlets, and a national network of volunteers make the program work. Braille transcribers certified by the Library are available in the 50 States and the territories on request to put a particular book or article into braille. Retired telephone workers serve as volunteers to repair malfunctioning machines. These volunteer services and State support make the Congress more ready to add Federal support.

With this great tradition of American community behind us, with the countless examples in the Library of Congress and elsewhere of the converging of private and public interests, what more can we do?

We have talked often here about the need for changes in the tax law to restore Libraries, Museums, Universities, and Colleges to the beneficial position they held before the 1969 tax reform act disallowed charitable deduction credit for so-called self-created materials. The impact upon research libraries and museums of this shortsighted change in the tax law has been disastrous. I have expressed myself on this subject many times before, as have other members of this Committee. The mood exists for tax reform this year in the Congress and elsewhere. Let us hope that the impetus toward tax simplification does not turn out to be costly to libraries, scholarship, and the record of American culture.

We must reach for imaginative new ways to catalyze the American sense of community. And we must not forget the immeasurable personal satisfactions from individual generosity. Mrs. Coolidge and Mrs. Whittall worked wonders and, best of all, they lived to see and enjoy the wonders they wrought. Mrs. Coolidge died at age 89 and Mrs. Whittall at age 97. We still delight in their gifts.

Corporations and cultural institutions need to be more innovative in their approach to philanthropy. The phrase *pro-bono* seems to have been monopolized by the legal profession. To some of us the phrase has become a synonym for countless suits against government servants and public agencies. Perhaps the time has come to give *pro-bono* (I prefer the English "for public benefit" to the arcane Law-Latin) another—or at least an added meaning. Could we claim the phrase for all citizens who engage in community service on their own time or on time released by their companies for that purpose? Such opportunities could widen their vision toward a broader perspective on their own work. These opportunities would be the equivalent of academic sabbaticals. One skill that might serve the Library of Congress well is in fund-raising. Corporations accustomed to dispensing corporate benevolence frequently employ development officers skillful at insuring the fruitful uses of benevolence.

Public and private interests have converged to build in our Library of Congress a peerless national center of learning. The three buildings of the Library on Capitol Hill, by far the largest library facility in the world, are unrivalled too in the effective intimacy in which they search out and serve the libraries in every village, every school, every college, every reader in the nation. We acquire and catalog works in all languages from everywhere for the benefit of all institutions, public and private. In recent years our Cataloging in Publication program has increased the speedy availability of newly published works by weeks or months. The Library of Congress is integral to our national community and to all our communities across the nation. These communities in the American tradition remain alive by growing and by multiplying the activities which gave them life.

The Library of Congress has always been and is now more than ever aware of being a Multi-Media Encyclopedia—the world's great record of civilization. We say "the world's" for we are the only Library—the only national library—that aims to collect and preserve literary and graphic and photographic and musical and cartographic works of enduring value from all periods from all the world. Three-quarters of our printed collections are in languages other than English. We collect in 468 languages—perhaps too many for a single small planet. But we must do so, for the cliche tempts us to forget that we are a Nation of Nations. To be a national library we must be an international library. And to be an American national library we must be where the specious distinctions between public and private are dissolved and where all our efforts come together in our American community.

CONTRIBUTIONS DISCUSSED

Dr. **Boorstin**. For example, our musical program is the result of private contributions from two farsighted women. There are many other parts of our program including our publications. I have here a list of some of the areas—which I will submit for the record—from which we have received contributions.

[The list follows:]

The first trust fund was established through a bequest of Mrs. Gardiner Greene Hubbard which was accepted by Act of Congress on August 20, 1912. Public Law 68-541 (March 3, 1925) established the Library of Congress Trust Fund Board and authorized the Librarian of Congress to accept in the name of the United States gifts or bequests of money for immediate disbursement in the interest of the Library, its collections, or its service.

There have been more than 50 trust funds established, to date, in the Library. The income earned by each of these funds is used to fulfill the specific purpose established by the donor.

The Library has also received more than 350 gift funds which are for immediate disbursement rather than investment.

Some of the uses of the funds and the names of donors are as follows:

1. Cultural Programs:
    - A. Music: Elizabeth S. Coolidge Foundation, Serge Koussevitzky Foundation, McKim Fund, Gertrude C. Whittall Foundation.
    - B. Literature: Archer M. Huntington Funds, Gertrude C. Whittall Fund.
    - C. Film: Mary Pickford Foundation.
    - D. Prints, Drawings: Joseph Pennell Bequest, Caroline & Erwin Swann Fund.
    - E. History, Geography: James B. Wilbur Funds.
    - F. Hispanic Culture: Archer M. Huntington Funds.
2. Special Projects:
    - A. Bibliographical: John D. Rockefeller, Jr., Council on Library Resources, American Association for Advancement of Slavic Studies.
    - B. Processing: Cafritz Foundation, International Business Machine.
    - C. Council of Scholars: Standard Oil, Exxon, Xerox, Litton Foundation, Charles & Flora Thornton Foundation, Witter Bynner Foundation, New York Times Foundation, Clare Boothe Luce, DeWitt Wallace Foundation (Matching Funds).
    - D. Center for the Book: CBS Television, Ginn & Co., Cafritz Foundation, Annenberg Fund, Inc., Scott & Fetzer Foundation, Washington Post Co., McGraw-Hill Foundation, Inc., American Heritage Publishing Co., Inc., Baker & Taylor, Ingram Industries, Inc., Frank M. Barnard Foundation, Inc., Hearst Books/Business Publishing Co., Samuel I. Newhouse Foundation, Inc., Gale Research Co., Marcus & Harryette Cohn Foundation.

The receipts for gift and trust funds for the 1958-1987 period are listed below:

Year	Amount	Year	Amount	Year	Amount
1987 Est	$8,751,000	1977	$5,861,551	1967	$2,720,050
1986 Est	7,780,000	1976&TQ	6,143,596	1966	2,029,127
1985	8,161,893	1975	4,698,459	1965	1,607,722
1984	8,429,507	1974	4,228,874	1964	2,002,950
1983	7,969,921	1973	4,820,395	1963	1,623,056
1982	6,962,886	1972	4,520,165	1962	1,441,773
1981	6,096,289	1971	3,932,672	1961	1,631,602
1980	7,113,968	1970	3,959,400	1960	1,193,857
1979	6,670,814	1969	3,562,166	1959	1,593,074
1978	6,025,602	1968	3,237,052	1958	1,325,623

Note: The list of contributors is partial and is intended to reflect, in a small way, the cross section of the contributors.

CONTRIBUTION VALUE REQUESTED

Mr. **Fazio**. Can you give us a value of the overall contributions?

Dr. **Boorstin**. The figure for the gift and trust funds in the Library of Congress as a private resource for the year 1987 is $8,751,000.

Mr. **Fazio**. You say non-federal. Does that mean other levels of government or are they all private corporations?

Dr. **Boorstin**. It includes gifts from private individuals and corporations. It is difficult to give—I will give you an example of the difficulty of separating private from government contributions.

Mr. **Fazio**. There are lots of tax deductions involved here. I guess that is a beginning of the difficulty.

Dr. **Boorstin**. Some of them are; some of them aren't. We have suffered—the Library has suffered from the changes in the tax law which deprived the creator of works of art of the benefits of their gifts.

There has been a sharp decline since 1969 in the gifts to the Library of Congress of self-produced works. That has had a serious affect on our manuscript collections, collections of photographs and works of art, photographic work, generally, among others.

So many of the activities of the Library combine the private and public sector. For example, the Cataloging in Publication Program is a program in which private publishers provide us in advance of publication with the page proofs of books so that they are making a contribution to the cataloging effort in that way.

Since I have come to the Library, there have been two activities which have both flourished. They were both a product of private contributions or supported almost exclusively by private contributions.

CENTER FOR THE BOOK

One is the Center for the Book in the Library of Congress which has been supported almost entirely by the contributions of private resources—CBS, ABC, the Book of the Month Club, McGraw Hill, and others support this activity.

The Center of the Book, of course, is an enterprise created to promote reading, literacy, and to promote the use of other media to promote reading, to find ways to use television to promote reading and so on.

COUNCIL OF SCHOLARS

The Council of Scholars, which was aimed at adding to the resources of the Library by providing advice to the Library on the areas in which we should improve our collection and areas of overkill, overlap, and so on—that has been supported by private resoures entirely, by corporate gifts, gifts from private individuals, etc.

That also has, we hoped, served the nation by providing a forum for the discussion of problems and opportunities on the frontiers of knowledge such as the problem of creativity, the concepting, the possibilities of creativity in our society, the problems of work, what people think about work, what encourages them to work, and so on.

Those are two relatively large activities, but new activities which are virtually wholly supported by private contributions.

We are constantly seeking private support for all of the whole range of our activities, large numbers of our most valuable items, for example, in the rare book collection, have come from private contributions.

H.P. Kraus, for example, gave us the Sir Francis Drake collection which is of great value. That was a gift. We received gifts of manuscripts. We recently received the gift of the Averill Harriman papers, which if they went on the market would have an enormous value. We are very grateful for that.

PRIVATE CONTRIBUTION LIMITATIONS

I would make one comment in this regard, Mr. Chairman. That is the—I think it is dangerous to expect or to look for private contributions or private support for the main current of activities of the Library of Congress.

This is a national library. It is the principal national library, and it can continue to provide its services, I think, only if the nation—by which I mean the nation in Congress assembled—accepts responsibility for the support of this activity.

So, the private support of activities, while it can be increased, and we welcome your suggestions to helping us increase it, through our Library of Congress Trust Fund Board, for example—we, I think, must be cautious not to displace the responsibility for the support of our great national library from the Congress and appropriated funds on to private resources.

DEVELOPMENT OFFICER DISCUSSED

Mr. **Fazio**. I agree with you, Dr. Boorstin. We are talking about enhancing the Library in certain areas where special programs are warranted. It should not relieve us of the burden of responsible funding.

Dr. **Boorstin**. May I just add this in this regard, because we have welcomed your suggestions and your encouragement in this direction. One of the problems, and we come back to personnel here, is that I think we are the only organization, we are one of the principal government cultural institutions in Washington that can receive private contributions. Most executive agencies cannot. We can receive private contributions through the Trust Fund Board, we have no development officer, and I think if you will look at the Smithsonian and other institutions which have done very well—and we applaud them, we are delighted that they are doing what they are doing—these institutions have development officers, and we have no such officer, and never have had. We are very wary of seeking contributions for certain activities.

There are problems in relation to CRS, for example, where we are wary of seeking contributions from institutions with proprietary interest.

Mr. **Fazio**. That is totally appropriate. We should guard against that.

Dr. **Boorstin**. We are very aware of that. We welcome your suggestions and if you have any suggestion as to how we might go about securing the services of a development officer, that would be very welcome.

Mr. FAZIO. It is an area where we should explore possible funding. It will take some initial investment through the appropriations process, but eventually it could be supported out of generated funds. Mr. Lewis and I have talked to you about the creation of a foundation similar to the Smithsonian associates or the National Friends of the Library.

It is appropriate to find a way to encourage people to join and support local and regional libraries; part of the network of support for the national library. We are all increasingly dependent and tied together, and I believe it is possible to generate public support. In the future, we might entertain the idea of a publication for people who use libraries. They might enjoy some sort of periodic communication describing library services and interrelationships between the various library levels.

Dr. BOORSTIN. Mr. Chairman, the Center for the Book has developed such a group, but we can do much more, and we certainly welcome your assistance and suggestions. If you wish, we will develop a plan if you would like to.

Mr. FAZIO. I would appreciate that.

Dr. BOORSTIN. Even if it might require the addition of a person to our staff.

Mr. FAZIO. The potential benefits of the investment are great. I would encourage you to move forward with it.

Mrs. Boggs, do you have a comment?

Mrs. BOGGS. I was just noting that the Folger Library has recently started a membership drive.

Mr. FAZIO. They were in terrible financial shape, on the verge of extinction.

Mrs. BOGGS. The initial membership is only $25.

Dr. BOORSTIN. Mr. Chairman, may I add one other comment here?

Mr. FAZIO. Yes, of course.

Dr. BOORSTIN. Just one comment, something that we must think about in this regard. That is if one goes out into the constituencies, if I may use that phrase, out into the countryside, and asks for support of the Library of Congress, one then runs the risk of competing with the local institutions, the local symphony orchestras, museums, libraries and universities, and we like to avoid that posture. I think that in effect the Congress by appropriating adequately for the national library, and by taking on the responsibility for appropriated funds, is helping local philanthropies and educational institutions secure their contributions.

Mr. FAZIO. I understand.

Dr. BOORSTIN. So that is something to be wary of.

Mr. FAZIO. We want to tie together the network even more. You are providing services which are hardly recognized. Most people who support their local libraries have no idea about the indirect and direct support that comes from the national library. Your political support and our ability to help you is in some ways premised on a foundation of local support for libraries.

Dr. BOORSTIN. Sure.

Mr. FAZIO. The annual used book drive, although beneficial, is not sufficient. The national libraries are under some threat indirectly and in some cases directly, from people who have a different set of values. Let's see what we can do to reinforce each other.

Dr. **Boorstin**. Thank you, Mr. Chairman. We will certainly do that.

NON-APPROPRIATED STAFF ASSIGNMENTS

Mr. **Fazio**. We have some questions on these issues, specifically on the point on whether staff who are supported by external sources of revenue are being used for general support or administrative activity. This is something on which we need assurance and explicit information. There have been reports of instances where staff supported from non-appropriated funds are assigned to library administrative duties. There are some 437 people who are supported by other sources of revenue.

Mr. **Welsh**. Would you like to have a brief statement on that now?

Don.

Mr. **Curran**. I believe you are referring to the so-called reimbursable programs of the library as well as the gift and trust fund programs.

Mr. **Fazio**. Yes.

Mr. **Curran**. Let me try to make one distinction.

Mr. **Fazio**. Go ahead and make that distinction.

Mr. **Curran**. Dr. Boorstin has been talking about the so-called gift and trust funds.

Mr. **Fazio**. Right.

Mr. **Curran**. This is where private citizens are giving the Library of Congress money for specific reasons. The larger side of this, however, is where we support other Federal agencies, and we refer to this as reimbursable programs as distinct from gift fund activities. Last year and this year, for example, that is in the order of $26 million a year which is quite a lot of money for us on reimbursable work.

All of that comes from Federal agencies, principally defense agencies, where we are doing a certain amount of bibliographic work for defense agencies, and from the Federal Library Committee Information Center, where we are acting as the lead agency in a variety of ways for other Federal libraries by accessing automated data bases in the private sector. The Library of Congress along with some 300 other Federal libraries are accessing outside data bases. The Library of Congress serves as the lead agency.

In any case, you refer to these 400 people, and of those 400 people, most of them are working directly for the reimbursable programs. In addition, we have service fee accounts, say, 150 or 160 people in our service fee accounts. That adds up to about 400 people. There is an overhead associated with this. We charge the Federal agencies an overhead of either 12 percent or 6 percent depending on the kind of work we are doing, and we use that overhead mostly for salaries of about 60 people, 55 to 60 people, who are in various support jobs around the library, and that is what they are doing, the overhead on undistributed direct cost. Is that what you wanted to know?

Mr. **Fazio**. That is close. We can get more explicit.

I have a question to be submitted for the record at this point.

[The question and response follows:]

EXTERNAL SOURCE FUNDING

Question. Would it be possible for your Internal Auditor to look into the question of positions at the Library supported by external sources of funding such as Gift Funds and reimbursable programs?

Response. Yes, we will have our Internal Auditor review this matter and provide the Committee with the results of his review.

GRAMM-RUDMAN RECOVERY REQUESTS

Mr. **Fazio**. I understand that part of the effort that you are making for increases in 1987 is directly related to the G-R-H reductions. Are you making a dollar-for-dollar restoration? Is that what you are attempting to do?

Mr. **Welsh**. No, sir. We are not.

Mr. **Fazio**. In other words, you are not laying off staff and then attempting to immediately restore the positions?

Mr. **Welsh**. No. As I indicated, we have made cuts in all of the requests for restoration, so it is definitely not a dollar-for-dollar amount. Would you like to know the specifics?

Mr. **Fazio**. Yes. Would you tell us what the restoration amounts to?

Mr. **Welsh**. For the library under Gramm-Rudman the total reduction was $9,420,000. We are requesting restoration of $8,170,000. Under restoration of base cut, if I may continue, the base cut was a reduction of $10,456,000. We are requesting restoration of $9,786,000. We have carefully gone over, and we have also reduced, as I have indicated, our current level request and our growing work load, so in no case are we asking for full restoration.

Mr. **Fazio**. You are requesting about 90 percent of the Gramm-Rudman cut and the reduction of last year?

Mr. **Welsh**. Yes, sir. Overall, there is a reduction of, as I said, $5 million on a $44 million base.

Mr. **Fazio**. That's a little high. Could you prioritize for the record?

Mr. **Welsh**. Yes, sir.

Mr. **Fazio**. I am not implying anything by my question, but you know our annual difficulties in bringing a bill to the floor that can pass. We are limited this year, as we have been in the past.

Mr. **Welsh**. We have already prioritized the four categories, if I may just speak for a moment. The Gramm-Rudman as being the first, and we can supply those for the record, the restoration of the base cut, the current level, and the growing work load. There are some very important needs expressed in the growing work load, so I would like to be able to express all of those.

We will be glad to supply that for the record, Mr. Chairman.

Mr. **Fazio**. We will also place questions in the record at this point.

[The questions and responses follow:]

RESTORATION OF GRAMM-RUDMAN

Question. Will you prioritize this restoration for us? How much of the $9.42 million is essential in your judgment, and how much can you really forego?

Response. After a careful review of the items cut as a result of the Gramm-Rudman-Hollings bill, the Library has determined that $8,606,000 is essential to the needs of the Library. Recovery of the use of $436,000 in receipts cut under G-R-H will reduce the $8,606,000 to $8,170,000. Therefore, the Library is willing to forego $1,250,000 of the $9,420,000 G-R-H cuts.

The priorities, shown separately for each appropriation, for the recovery of the Gramm-Rudman-Hollings cuts are as follows:

Salaries & Expenses, Library of Congress:	
Purchase of Books	$626,000
Preparation of Books	880,000
Preservation	600,000
Reopening of the Library	500,000
Automation	1,200,000
Central Support	509,000
Cataloging Distribution Service	341,000
American Folklife Center	23,000
Total	4,679,000
Copyright Office:	
30 essential positions	525,000
Non-personal costs	201,000
Total	726,000
Congressional Research Service:	
Fill vacancies & fund overtime (when necessary)	1,162,000
Partially restore funding of staff development & personnel security activities	92,000
Partially restore funding for communications	85,000
Restore funding supporting copying of CRS products	100,000
Restore acquisition of basic research & reference information source materials	89,300
Restore consultant funding to augment staff resources	80,200
Restore balance of staff development funding	40,000
Restore balance of communications funding	26,500
Total	1,675,000
Books for the Blind & Physically Handicapped:	
Sound reproduction:	
100 cassette titles	350,000
Recorded magazines	136,000
Bibliographies, catalogs (flexible disc)	150,000
Books in raised characters:	
Braille magazines	310,000
25 Braille titles	100,000
80 handcopied braille titles	100,000
Containers for mailing braille books	70,000
Music materials for collections	75,000
Pamphlets & Documents	25,000
Professional & Consultant	30,000
Special & Temporary positions	15,000
Sound reproductions—Books Talk—Recorded exhibit brochures	41,000
Public education projects	50,000
Total	1,452,000

Special Foreign Currency: Purchase of Books	36,000
Total	36,000
Furniture & Furnishings: Annual furniture	38,000
Total	38,000
Grand total	8,606,000
Recovery of receipts	−436,000
Net total	8,170,000

The priorities, shown separately for each appropriation, for the restoration of the Base Cuts are as follows:

Salaries and Expenses, Library of Congress:	
Mandatories—80 positions	$2,631,297
Central Support (Including Space Rental)	558,300
Preparation of Books	210,000
Preservation	647,700
Research	21,600
Cataloging Distribution Service	28,300
Automation	3,400
American Folklife Center	32,900
Total	4,133,497
Copyright Office: Non-personal costs	110,000
Total	110,000
Congressional Research Service:	
Fill permanent vacancies, hire temporaries & fund overtime (when necessary)	1,851,387
Restore funding supporting copying of CRS products	361,700
Partially restoring funding for basic research & reference source materials	130,200
Partially restore consultant funding to augment staff resources	353,200
Partially restore funds supporting seminars & institutes, translations & misc. services	21,200
Restore funding for staff development & personnel security activities	37,100
Restore funding for communications	35,000
Total	2,789,787
Books for the Blind & Physically Handicapped:	
Replacement of machines	1,599,900
Talking books	800,000
Travel & transportation	13,900
Printing of publications	140,000
Research & Development	75,000
Recovery of Lapse	25,000
Music books	40,000
Consultant services	20,000
Other printing	15,000
Purchase of books for reproduction	7,000
Testing equipment	10,000
Other non-personal costs	7,200
Total	2,753,000
Grand total	9,786,284

The priorities, shown separately for each appropriation, for the current level requests are as follows:

Salaries & Expenses, Library of Congress:

Mandatories	$1,434,487
Purchase of Books	175,000
Central Support	211,500
Automation	95,265
Preservation	36,500
Research	5,664
American Folklife Center	23,100
Preparation of Books	−111,247
Total	1,870,269

Copyright Office:

Mandatories	217,099
Non-personal costs	40,700
Total	257,799

Congressional Research Service:

Fund ingrades & reallocations	729,903
Recover cost increases related to copying CRS products	68,410
Recover cost increases for acquisition of basic research & reference materials	49,700
Recover cost increases for staff development activities	15,900
Recover postal rate increase	10,300
Total	874,213

Special Foreign Currency: Personnel & Non-personal costs	−442,000
Total	−442,000

Furniture & Furnishings:

Renovation & Restoration furnishings	13,731,000
Annual furniture	144,600
Furniture & furnishings (Overseas)	20,700
Carpeting	100,000
Non-recurring furniture	514,500
Annual partitions	37,500
Typewriters	4,200
Non-recurring furniture (reduction)	−392,000
Total	14,159,000
Grand Total	16,720,181
Use of receipts	−950,000
Net total	15,770,181

The priorities, shown separately for each appropriation, for the growing workload requests are as follows:

Salaries & Expenses, Library of Congress:

Processing (9 positions CJK)	$295,253
Research (8 positions renovation & restoration)	134,876
Wright-Patterson renovation	500,000
Automation (computer upgrade & workstations)	2,545,098
Equal Employment Opportunity Complaints Office (6 positions)	214,107
LC Subject Headings	200,000
Law Library data bases	35,000
Processing (Non-personals Overseas Oper.)	114,900
Automation (Rent computer software & automation supplies)	72,000
Total	4,111,234

Copyright Office: Non-personal costs	150,201
Total	150,201
Congressional Research Service: Fund replacement of word processors & acquisition of microcomputers	175,000
Total	175,000
Furniture & Furnishings:	
Annual furniture	368,500
Furniture & furnishings (Overseas)	27,900
Non-recurring furniture	518,500
Typerwriters	17,200
Total	932,100
Grand total	5,368,535
Use of receipts	−150,000
Net total	5,218,535

BASE CUT RESTORATIONS

Question. Provide for the record an overall object class tabulation of this base cut, and a table for each appropriation account. Include 1985 actual and 1986 appropriations in those tables.

Response. The requested table is supplied.

LIBRARY OF CONGRESS

SUMMARY
Base Cut Restorations, Fiscal Year 1987

		1985 Obligations	1986 Adjusted P.L.99-177	Increase/ Decrease	Percentage Increase/ Decrease	1986 Base Cut Restoration	P.L.99-177 Restoration
Library of Congress:							
11	Personnel Compensation	$138,239,530	$138,003,735	$ -235,795	-.2	$ 4,032,673	$ 3,690,907
12	Personnel Benefits	15,565,061	16,351,476	+786,415	5.1	486,830	318,743
13	Benefits for Former Personnel ..	384,441	212,800	-171,641	-44.6	----	----
21	Travel	818,118	615,841	-202,277	-24.7	70,000	85,700
22	Transportation of Things	409,472	245,803	-163,669	-40.0	12,900	4,000
23	Rent, Communications, Utilities	15,905,555	14,764,600	-1,140,955	-7.2	501,900	449,900
24	Printing and Reproduction	7,413,950	6,036,898	-1,377,052	-18.6	711,200	846,100
25	Other Services	16,781,546	9,831,318	-6,950,228	-41.4	1,366,707	1,061,450
26	Supplies and Materials	4,481,716	3,430,707	-1,051,009	-23.4	228,900	344,700
31	Equipment	41,708,700	30,773,822	-10,934,878	-26.2	3,045,400	3,054,500
42	Insurance Claims and Indemnities	940	2,000	1,060	112.8	----	----
Total		$241,709,029	$220,269,000	$-21,440,029	-8.9	$10,456,510	$ 9,856,000

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Base Cut Restorations, Fiscal Year 1987

	1985 Obligations	1986 Adjusted P.L.99-177	Increase/ Decrease	Percentage Increase/ Decrease	1986 Base Cut Restoration	P.L.99-177 Restoration
Salaries and Expenses, Library of Congress:						
11 Personnel Compensation	$ 89,450,198	$ 90,412,807	$ 962,609	1.1	$ 2,355,117	$ 2,128,050
12 Personnel Benefits	10,145,636	10,790,494	644,858	6.4	287,773	179,600
13 Benefits for Former Personnel	170,672	134,000	-36,672	-21.5	----	----
21 Travel	397,085	390,514	-6,571	-1.7	41,600	21,000
22 Transportation of Things	155,569	185,103	29,534	19.0	10,000	4,000
23 Rent, Communications, Utilities	12,429,643	12,087,005	-342,638	-2.8	319,700	240,800
24 Printing and Reproduction	5,155,283	3,744,963	-1,410,320	-27.4	312,200	644,600
25 Other Services	11,083,065	6,176,337	-4,915,728	-44.4	402,707	706,750
26 Supplies and Materials	2,254,008	2,241,007	-13,001	-0.6	148,100	319,700
31 Equipment	9,947,518	5,953,770	-3,993,748	-40.2	433,300	1,684,500
42 Insurance Claims and Indemnities	940	2,000	1,060	112.8	----	----
Total	$141,189,617	$132,118,000	$-9,080,617	-6.4	$ 4,310,497	$ 5,929,000
Salaries and Expenses, Copyright Office:						
11 Personnel Compensation	$ 13,654,566	$ 13,646,564	$ -8,002	-0.1	$ ----	$ 505,000
12 Personnel Benefits	1,579,470	1,629,506	50,036	3.2	----	20,000
13 Benefits for Former Personnel	14,800	20,000	5,200	35.1	----	----
21 Travel	40,831	49,300	8,469	20.7	6,300	7,700
22 Transportation of Things	3,763	----	-3,763	-100.0	----	----
23 Rent, Communications, Utilities	1,142,471	1,173,525	31,054	2.7	45,000	37,600
24 Printing and Reproduction	332,215	237,205	-95,010	-28.6	41,100	131,500
25 Other Services	266,797	37,900	-228,897	-85.8	6,600	24,200
26 Supplies and Materials	166,125	94,800	-71,325	-42.9	11,000	----
31 Equipment	32,688	16,200	-16,488	-50.4	----	----
Total	$ 17,233,726	$ 16,905,000	$ -328,726	-1.9	$ 110,000	$ 726,000

LIBRARY OF CONGRESS

Base Cut Restorations, Fiscal Year 1987

	1985 Obligations	1986 Adjusted P.L.99-177	Increase/ Decrease	Percentage Increase/ Decrease	1986 Base Cut Restoration	P.L.99-177 Restoration
Salaries and Expenses, Congressional Research Service:						
11 Personnel Compensation	$ 30,704,331	$ 29,870,489	$ -833,842	-2.7	$ 1,655,275	$ 1,042,857
12 Personnel Benefits	3,326,774	3,463,084	136,310	4.1	196,112	119,143
13 Benefits for Former Personnel	38,439	40,000	1,561	4.1	----	----
21 Travel	99,255	46,982	-52,273	-52.7	11,100	57,000
22 Transportation of Things	1,072	----	-1,072	-100.0	----	----
23 Rent, Communications, Utilities	1,360,046	1,239,070	-120,976	-8.9	134,600	171,500
24 Printing and Reproduction	824,297	774,805	-49,492	-6.0	202,900	70,000
25 Other Services	1,706,104	961,170	-744,934	-43.7	861,400	214,500
26 Supplies and Materials	458,651	243,100	-215,551	-47.0	59,200	----
31 Equipment	1,506,838	649,300	-857,538	-56.9	162,200	----
Total	$ 40,025,807	$ 37,288,000	$-2,737,807	-6.8	$ 3,282,787	$ 1,675,000
Salaries and Expenses, Books for the Blind and Physically Handicapped:						
11 Personnel Compensation	$ 3,429,329	$ 3,685,475	$ 256,146	7.5	$ 22,281	$ 15,000
12 Personnel Benefits	390,429	416,352	25,923	6.6	2,945	----
13 Benefits for Former Personnel	10,360	10,000	-360	-3.5	----	----
21 Travel	109,022	99,585	-9,437	-8.7	11,000	----
22 Transportation of Things	31,308	26,100	-5,208	-16.6	2,900	----
23 Rent, Communications, Utilities	203,528	227,400	23,872	11.7	2,600	----
24 Printing and Reproduction	957,912	1,202,925	245,013	25.6	155,000	----
25 Other Services	2,944,959	2,495,211	-449,748	-15.3	96,000	80,000
26 Supplies and Materials	1,388,308	839,600	-548,708	-39.5	10,600	25,000
31 Equipment	26,267,643	23,306,352	-2,961,291	-11.3	2,449,900	1,332,000
Total	$ 35,732,798	$ 32,309,000	$-3,423,798	-9.6	$ 2,753,226	$ 1,452,000

LIBRARY OF CONGRESS

Base Cut Restorations, Fiscal Year 1987

	1985 Obligations	1986 Adjusted P.L.99-177	Increase/ Decrease	Percentage Increase/ Decrease	1986 Base Cut Restoration	P.L.99-177 Restoration
Collection and Distribution of Library Materials (Special Foreign Currency Program):						
11 Personnel Compensation	$ 796,005	$ 180,200	$ -615,805	-77.4	$ ----	$ ----
12 Personnel Benefits	100,498	31,240	-69,258	-68.9	----	----
13 Benefits for Former Personnel ..	150,170	8,800	-141,370	-94.1	----	----
21 Travel	170,329	29,460	-140,869	-82.7	----	----
22 Transportation of Things	217,760	34,600	-183,160	-84.1	----	----
23 Rent, Communications, Utilities	769,872	37,600	-732,272	-95.1	----	----
24 Printing and Reproduction	144,243	77,000	-67,243	-46.6	----	----
25 Other Services	780,157	160,700	-619,457	-79.4	----	36,000
26 Supplies and Materials	214,624	12,200	-202,424	-94.3	----	----
31 Equipment	2,544,289	224,200	-2,320,089	-91.2	----	----
Total	$ 5,887,947	$ 796,000	$-5,091,947	-86.5	$ ----	$ 36,000
Furniture and Furnishings:						
11 Personnel Compensation	$ 205,101	$ 208,200	$ 3,099	1.5	$ ----	$ ----
12 Personnel Benefits	22,254	20,800	-1,454	-6.5	----	----
21 Travel	1,596	----	-1,596	-100.0	----	----
23 Rent, Communications, Utilities	-5	----	5	100.0	----	----
25 Other Services	464	----	-464	-100.0	----	----
31 Equipment	1,409,724	624,000	-785,724	-55.7	----	38,000
Total	$ 1,639,134	$ 853,000	$ -786,134	-48.0	$ ----	$ 38,000

BASE CUT RECOVERIES NOT REQUESTED IN FULL

Mr. **Fazio**. Are there any areas in that base cut that we made last year, travel, printing contracts, personnel, items of that sort, that are possible to forego? You are not requesting full restoration, so there are a few.

Mr. **Welsh**. Yes, sir. I can approach that.

Mr. **Fazio**. Tell us what you have not had to restore, and why you may have to add other items.

Mr. **Welsh**. One of the things that we did not request restoration of the base cut of $525,000 in our book request. We decided that we should reduce that. There was also——

Mr. **Fazio**. What do you mean by book request?

Mr. **Welsh**. For the purchase of books.

Mr. **Fazio**. Purchase of books?

Mr. **Welsh**. Yes.

Mr. **Fazio**. Does that mean a delay in the purchase or a permanent decision not to purchase?

Mr. **Welsh**. We decided we could cut back on some of our acquisitions without seriously jeopardizing the program. We have asked, however, for a restoration of the $626,000 of the Gramm-Rudman reduction.

Mr. **Fazio**. That means an absolute decision not to purchase a given work.

Mr. **Welsh**. Yes.

Mr. **Fazio**. What kinds of books would not be purchased, just to give us an idea? I know you can't be too explicit. Obviously you feel that some restoration is required.

Mr. **Welsh**. Some people——

Mr. **Fazio**. Some think you buy every new publication in creation.

Mr. **Welsh**. We don't as I said. However, we do attempt to acquire in all languages and all subjects in all areas of the world, but we are very, very selective, especially in the area of copyright. It is one of the great myths that the Library of Congress acquires everything. We are very selective.

To give you an order of magnitude, we get in about eight million pieces a year. Fewer than two million of those are added to the collections and a large part of those are serials. The first major cut was in serial publications. We simply reviewed our list of serial publications, and decided we would cut out some titles there.

We reduced our allotments for rare books and rare materials, and other types of publications. It has been a pretty thorough investigation across the board.

FULL RESTORATION OF SALARY CUT NOT SOUGHT

Mr. **Welsh**. Another major area where we did not ask for restoration was in the general salary reduction. As I recall, the Congress reduced it by $3.5 million and we are asking for restoration of $2.6 million, so I say, in every category we initially decided that we would not request full restoration, and then, in the past several days we reviewed our requests again and have reduced them further as I have indicated.

ARE NEEDED ACQUISITIONS BEING MADE

Mr. **Fazio**. It is always a very intangible and discretionary subject.

Dr. Boorstin, do you feel you are acquiring adequately? Do you feel the collection of the library is being diminished?

Dr. **Boorstin**. Well, that is a very good question. That is a very philosophical question, Mr. Chairman.

Mr. **Fazio**. That is right. I am asking you because that is your department.

Dr. **Boorstin**. It is a most interesting question about the library, because the director of the library has a problem of epistemological prophecy. It is a problem in deciding what is going to be knowledge and what is not going to be knowledge. We don't want to collect materials that will not be useful in the future, but we don't want to fail to collect things which might be useful. I think the greatest mistake that people can make—the greatest mistake of what I think the Puritans had the word pride for—was to believe that we know what is going to be useful in the future, and there are some classic examples of that. An example, almost a cliche now, was when we were criticized for collecting materials on the rainfall in Burma. That was before World War II.

That seemed like an outlandish thing to collect information about, and then the war came and we were the only place that had information on the rainfall in Burma which was a matter of life and death.

Similarly, in our map collection we had maps of the City of Kabul in Afghanistan, and who possibly would want to use one of those maps, and then——

Mr. **Fazio**. The Russian embassies.

Dr. **Boorstin**. And then the Russian invasion came and we were able to provide these maps. Seriously, the great mistake which we must avoid is in selecting only materials that we can see the current use of.

Another mistake, of course, is to collect what some other libraries say we should collect and that is to collect what nobody else wants to collect. That is not a rational approach either, so it is difficult, but we must be willing to have a certain humility, and learn from the past, and not collect only relevant material, because that is what other libraries are doing now.

We are trying to open our vistas to the future, and preserve materials that will continue to be useful. Not only the records of knowledge, but also the records of the follies of man, which is what the story of civilization is.

Mr. **Fazio**. How often do you review retrospectively decisions you made, say, five years ago?

Dr. **Boorstin**. We are constantly reviewing that. We have a collections development officer who is constantly reviewing the reports that come in of the items that are being collected. We are continuously reconsidering and reconsidering whether it is still necessary to collect such as which works from Iceland or Croatian works. Is it desirable to collect from India today? Which works on architecture have suddenly become important? What categories of science are important? The computer, for example, has created a whole new category of subjects. If we had tried to create exhaustive categories of collections 20 years ago, we wouldn't have had any category for the computer. We are constantly reexamining collection development policies.

CURRENT LEVEL REQUESTS

Mr. **Fazio**. I am moving to another issue. In your budget justification, you indicate an increase of $17.9 million will be necessary to maintain service levels at the rate of current operations. You show a projected price level change in supplies, equipment, travel costs, paper, training, telephone rates and so forth, but you also have included furniture for the renovated space; is that correct?

Mr. **Welsh**. Yes, sir.

Mr. **Fazio**. Will it be required in fiscal year 1987, or will you be sequestering furniture?

Mr. **Welsh**. We believe very, very affirmatively that we need $8 million of that amount in 1987. We have got to prepare for the completion of the first phase of construction. We can't make the move into the second phase without that minimum amount of furniture, and it is not a case of sequestering the furniture.

Mr. **Fazio**. We don't want to do it either.

I am submitting a question to be answered for the record.

[The question and response follows:]

Question. So that we get a good picture of these "current level" items, update the "current level" data on pages 682–683 of last year's hearings.

Response. The requested table is supplied.

LIBRARY OF CONGRESS

Percentage of Current Level Increase/Decrease to 1986 Adjusted Budget
Fiscal Year 1987

	1986 Enacted	1986 Adjusted P.L.99-177	Current Level Increase/ Decrease	Percentage Increase/ Decrease
Salaries and Expenses, Library of Congress:				
11 Personnel Compensation	$ 92,540,857	$ 90,412,807	$ 3,089,133	3.4
12 Personnel Benefits	10,970,094	10,790,494	484,015	4.5
13 Benefits for Former Personnel ..	134,000	134,000	1,200	0.9
21 Travel	411,514	390,514	85,200	21.8
22 Transportation of Things	189,103	185,103	32,500	17.6
23 Rent, Communications, Utilities	12,327,805	12,087,005	519,965	4.3
24 Printing and Reproduction	4,389,563	3,744,963	346,246	9.3
25 Other Services	7,063,087	6,176,337	795,307	12.9
26 Supplies and Materials	2,380,707	2,241,007	218,900	9.8
31 Equipment	7,638,270	5,953,770	608,300	11.4
42 Insurance Claims and Indemnities	2,000	2,000	----	---
Total	$138,047,000	$132,118,000	$ 6,180,766	4.7
Salaries and Expenses, Copyright Office:				
11 Personnel Compensation	$ 14,151,564	$ 13,646,564	$ 193,418	1.4
12 Personnel Benefits	1,649,506	1,629,506	23,681	1.5
13 Benefits for Former Personnel ..	20,000	20,000	----	---
21 Travel	57,000	49,300	6,300	12.8
22 Transportation of Things	----	----	----	---
23 Rent, Communications, Utilities	1,211,125	1,173,525	57,700	4.9
24 Printing and Reproduction	368,705	237,205	62,800	26.5
25 Other Services	62,100	37,900	9,100	24.0
26 Supplies and Materials	94,800	94,800	14,800	15.6
31 Equipment	16,200	16,200	----	---
Total	$ 17,631,000	$ 16,905,000	$ 367,799	2.2
Salaries and Expenses, Congressional Research Service:				
11 Personnel Compensation	$ 30,913,346	$ 29,870,489	$2,305,858	7.7
12 Personnel Benefits	3,582,227	3,463,084	275,447	8.0
13 Benefits for Former Personnel ..	40,000	40,000	----	---
21 Travel	103,982	46,982	21,200	45.1
22 Transportation of Things	----	----	----	---
23 Rent, Communications, Utilities	1,410,570	1,239,070	171,830	13.9
24 Printing and Reproduction	844,805	774,805	234,880	30.3
25 Other Services	1,175,670	961,170	894,200	93.0
26 Supplies and Materials	243,100	243,100	68,700	28.3
31 Equipment	649,300	649,300	184,900	28.5
Total	$ 38,963,000	$ 37,288,000	$4,157,015	11.2

LIBRARY OF CONGRESS

Percentage of Current Level Increase/Decrease to 1986 Adjusted Budget
Fiscal Year 1987

	1986 Enacted	1986 Adjusted P.L.99-177	Current Level Increase/ Decrease	Percentage Increase/ Decrease
Salaries and Expenses, Books for the Blind and Physically Handicapped:				
11 Personnel Compensation	$ 3,700,475	$ 3,685,475	$ 60,556	1.6
12 Personnel Benefits	416,352	416,352	7,615	1.8
13 Benefits for Former Personnel ..	10,000	10,000	----	---
21 Travel	99,585	99,585	11,000	11.1
22 Transportation of Things	26,100	26,100	2,900	11.1
23 Rent, Communications, Utilities	227,400	227,400	2,600	1.1
24 Printing and Reproduction	1,202,925	1,202,925	155,000	12.9
25 Other Services	2,575,211	2,495,211	474,275	19.0
26 Supplies and Materials	864,600	839,600	10,600	1.3
31 Equipment	24,638,352	23,306,352	4,119,815	17.7
Total	$ 33,761,000	$ 32,309,000	$4,844,361	15.0
Collection and Distribution of Library Materials (Special Foreign Currency Program):				
11 Personnel Compensation	$ 180,200	$ 180,200	$ -6,200	-3.4
12 Personnel Benefits	31,240	31,240	-10,600	-33.9
13 Benefits for Former Personnel ..	8,800	8,800	-8,800	-100.0
21 Travel	29,460	29,460	-13,200	-44.8
22 Transportation of Things	34,600	34,600	-11,300	-32.7
23 Rent, Communications, Utilities	37,600	37,600	-11,000	-29.3
24 Printing and Reproduction	77,000	77,000	-32,000	-41.6
25 Other Services	196,700	160,700	-124,500	-77.5
26 Supplies and Materials	12,200	12,200	-5,200	-42.6
31 Equipment	224,200	224,200	-219,200	-97.8
Total	$ 832,000	$ 796,000	$ -442,000	-55.5
Furniture and Furnishings:				
11 Personnel Compensation	$ 208,200	$ 208,200	$ ----	---
12 Personnel Benefits	20,800	20,800	----	---
31 Equipment	662,000	624,000	14,159,900	2262.2
Total	$ 891,000	$ 853,000	$14,159,900	1660.0

LIBRARY OF CONGRESS

SUMMARY
Percentage of Current Level Increase/Decrease to 1986 Adjusted Budget
Fiscal Year 1987

		1986 Enacted	1986 Adjusted P.L.99-177	Current Level Increase/ Decrease	Percentage Increase/ Decrease
Library of Congress:					
11	Personnel Compensation	$141,694,642	$138,003,735	$ 5,642,765	4.1
12	Personnel Benefits	16,670,219	16,351,476	780,158	4.8
13	Benefits for Former Personnel ..	212,800	212,800	-7,600	-3.6
21	Travel	701,541	615,841	110,500	17.9
22	Transportation of Things	249,803	245,803	24,100	9.8
23	Rent, Communications, Utilities	15,214,500	14,764,600	741,095	5.0
24	Printing and Reproduction	6,882,998	6,036,898	766,926	12.7
25	Other Services	11,072,768	9,831,318	2,048,382	20.8
26	Supplies and Materials	3,595,407	3,430,707	307,800	9.0
31	Equipment	33,828,322	30,773,822	18,853,715	61.3
42	Insurance Claims and Indemnities	2,000	2,000	----	---
	Total	$230,125,000	$220,269,000	$29,267,841	13.3

RESTORATION PROJECT UPDATE

Mr. **Fazio**. This is a good time for you to give us an update on the restoration project. Are you on schedule?

Mr. **Curran**. The Architect of the Capitol obviously is the person who has to be precise about his own schedule. Our impression of his schedule is that he is doing very well—I am very pleased. When you tour the two buildings, you will see that half of each of them, certainly half of the Jefferson Building, is completely empty. It is dark, closed off, and big walls are up there. It says closed for renovation. They are in the middle of demolition of that space.

Of course, before that could occur, we first had to move out of the space, and make ready the places where we put people for this interim or first phase work.

All of that work has been done. We have cleared out of the Jefferson Building completely in the half now under renovation, and within a matter of several months, the same will be true in the Adams Building.

The Architect of the Capitol is about to, I believe the bids are in, is in the process of making the award. However, in this case, because of the way in which the work is going forward, his own forces, supplemented by whatever, are in the middle of this demolition work. When the contracts are awarded in the next several months, as I understand it, that contract will begin the actual renovation work. It won't be taken up with a lot of prework such as the demolition work. We are anticipating that the Architect's phase one, first half of these two buildings, is proceeding more or less on schedule. More or less is up to the Architect to say. He is going to make up for time he has lost.

We are therefore looking forward within the next two years to have that work finished in the first phase, and that becomes the crucial moment for us here, because much of what we are asking for in this $13 million is integral to that process.

CABLING NEEDS

There is modular furniture in the colonnades, which is the main colonnaded part of the Jefferson Building, drapes, blinds, carpeting, orientation theater, kitchen equipment, a variety of things which are in one sense an extension of what he is doing, and then in addition to that, of course, there are the things that are strictly speaking ours, that is telecommunication cabling, $700,000. That is integral to the completion of the building.

TELECOMMUNICATIONS

You can't occupy the space without telecommunication cabling. It is a rather sophisticated telecommunications system that fits into the building. We need book shelving, interior partitions, special purpose furniture of a variety of kinds, carpeting in the main reading room, refinishing of the chairs in the main reading room, etc. These are not separable things.

Mr. **Fazio**. We certainly want this to mesh.

Mr. **Curran**. They simply must. As Mr. Welsh indicated, $8 million of the $13 million are in the first phase of the renovation, and we feel the renovation cannot really go forward without the money in the 1987 appropriation.

The second phase money could be put into future fiscal years, yes.

Mr. **Fazio**. We will work closely with you to try to balance that. I wanted to make that point in this hearing. We are looking and trying to find ways to economize in the acquisition of telecommunications service, and one of the ideas that we would like to pursue is a Hill-wide or legislative branch-wide acquisition.

Sometimes there's a tendancy for each entity to become isolated. We should try to find some way of procuring the general services that upgrade our capacity and the current level of service. I would like your comment, if you will.

Mr. **Curran**. Mr. Becker, who is our expert in matters like this, might want to say more than I can on the feasibility and practicality of certain aspects of the proposal.

DIGITAL SWITCH SYSTEM NOT INCLUDED

Mr. **Fazio**. We will be happy to hear from him.

Mr. **Curran**. The other side of that, what we are asking for here is basically cabling. You know in days before the divestiture of the phone company, the phone wire and the communication equipment was part of the capital expenditure of the telephone company. They are not in that business anymore, and that is one of those things that we are kind of between the spaces as it were with the appropriations here, so much of what we are talking about here is simply the capital to string wire, to string cable, etc.

I think what you may be referring to, Mr. Chairman, is this digital switch issue. That is, ought there be digital switching equipment that is Capitol Hill-wide rather than the House having a switch, the Library having a switch? Should there be a single process? That is a rather technical question which I would defer to the people who know a lot more about that than I do.

The answer is we are interested in digital. We think, as a matter of fact, digital switching equipment is crucial to the success of the library in the years ahead, and we simply must do it.

If there is a better way than doing it ourselves, we are delighted, particularly if someone else is going to supply the switch, but on the other hand, we feel like our needs would have to be thoughtfully considered. There is no digital switch money in this budget.

Mr. **Fazio**. We have heard that $700,000 would be insufficient.

Mr. **Curran**. That is not for the digital switch. It is for cabling. The digital switch is quite a different issue and is not in this budget.

Mr. **Fazio**. Is Mr. Becker here and prepared to comment? We don't want to spend a great deal of time, but this is an area we want to explore. We are not trying to burden you, but neither do we want to just give in to individual inclinations. Maybe we can interrelate with the Library to mutual benefit.

Mr. **Becker**. Let me emphasize this point just brought up on the $700,000 for the cabling or wiring, that is essential to even have telephone service in the renovated buildings. As you probably realize that kind of thing used to be done by AT&T before AT&T was broken up under the antitrust laws. The wiring design is something that we worked on closely with the Architect of the Capitol, so that it would provide both phone and data transmission capability. The wiring has to go in at the time of the renovation. It is completely independent of any specific kind of digital switch that we would procure or anyone else would procure.

Mr. **Fazio**. Which you could use with other agencies, so this has to proceed at this point in time when the building is opened up for wiring.

Mr. **Becker**. Right. As far as the digital switch———

Mr. **Fazio**. Are you telling us that the switch will be in the budget next year?

Mr. **Curran**. The cabling, I think, is the issue now. The issue of a digital switch would not be in this budget.

Mr. **Fazio**. Will that appear in the next budget?

Mr. **Curran**. There might be several ways to approach that. We are open for discussion.

Mr. **Fazio**. But if you were to proceed on your own schedule, you would be bringing it to us.

Mr. **Welsh**. We considered it for this year and abandoned the idea.

Mr. **Fazio**. I appreciate that.

Mr. **Becker**. We have been in discussions with the committee staff on the digital switch, and have met briefly with some of the other Capitol Hill agencies about the approaches that would be best. The major objective as we see it is to insure a high degree of compatability between the switching capabilities of the major Capitol Hill agencies. There are, of course, alternative ways of achieving that—one big switch, a series of switches that are technically capable of communicating with each other at all levels, and certainly that kind of compatability should be a major objective of whatever is done.

The best way to obtain that kind of compatability is not completely clear at this point.

Mr. **Fazio**. We do want to take opportunities and see how we can work together. I would like to insert several questions relating to telecommunications in the record at this point.

[The questions and responses follow:]

TELECOMMUNICATIONS

Question. I understand that the Library is planning to upgrade its telephone system and has issued requests for proposals for a new cable system and a telephone switching system.

What are the estimated costs associated with these planned acquisitions?

Response. The current Library activities are not an upgrade to its telephone system. They are an effort to provide the Library's total telecommunications needs including voice, data, optical disk image, and video in the most cost effective manner possible. There are four major phases to this effort.

(1) A voice/data wiring system for all three LC buildings estimated to cost $530/user.

(2) A voice/data switch at $1,000/user.

(3) A video and image capability which would require completion and activation of the wiring system at a cost still to be determined. (This last phase of the effort is the fastest changing part of the technology and costs have dropped almost 50 percent within the last year.)

(4) This installation would also facilitate communication with the House and Senate and accommodate any future communications demands.

The total cost would depend on the number of users for which these services will be installed. It is currently projected that the total premise wiring cost will be about $2.7 million and the cost of the digital switch, about $5.1 million. The premise wiring for all three LC buildings is planned for a 30 year life expectancy. The digital switch would have a life expectancy of 10-15 years. Extending the voice/data system to include the imaging and video capability would require adding a termination system and multiplexing devices. This could be done later and is not essential in order to provide voice/data transmission in LC through the premise wiring and digital switch. Assuming that these services would be installed for 5100 people, the cost of the premise wiring and the digital switch would come to about $8.4 million. These are all one-time costs. It should be kept in mind that much of the current cost for telephone service which is running over $1 million a year would no longer be necessary. This planned installation would prepare The Library of Congress for future unavoidable changes in the telecommunication technology.

Question. Are they funded in FY 1986 or do they appear in the FY 1987 request?

Response. None of these activities are funded in FY 1986. The $700,000 for the premise wiring of the renovated Adams and Jefferson Buildings is included in the FY 1987 Furniture and Furnishings budget request of the Library. None of the digital switch costs which exceed any current costs for C&P voice service through Centrex are included in the FY 1987 request.

Question. What is the planned acquisition/installation schedule?

Response. Attached is our proposed acquisition/installation schedule. It was developed in 1985 prior to the Gramm-Rudman/Hollings legislation. This schedule will have to be revised to reflect the current budget austerity, the specific proposals of the qualifying vendors responding to our current RFP, and any coordinated efforts initiated by the Congress to achieve greater compatibility among the legislative agencies.

Acquisition/Installation Schedule:

May 1985—Start design for LC premise distribution system.
December 1985—Request for proposals LC voice/data switch.
January-May 1986—Review vendor proposals.
January 1986—Produce final Madison premise wiring system design.
July 1986—LC produce final renovation drawings.
October 1986—Basic voice switch.
February 1987—Produce final Library premise wiring system design.
May 1987—Start installation of Jefferson/Adams wire system.
October 1987—Enhanced voice and 64 KBPS data.
October 1988—Enhanced voice and 64 KBPS data in LC annexes.
September 1989—Complete rehabilitation of Madison wire system.
October 1989—Voice messaging and high speed data LAN.
December 1990—Complete final premise distribution system.

Question. In a similar vein, the Architect has begun to renovate the Jefferson and Adams buildings.

Will there be special costs for telephone services during the renovation and if so, what are they?

Response. Yes, there will be special costs for telephone services during the renovation to provide telephone service to members of the staff when they are relocated. The estimated cost will be $124,000 of which $33,000 has already been expended.

Question. Have provisions been made and coordinated with the Architect to adapt these buildings for modern communications? What are the costs associated with this effort?

Response. Yes. The estimated costs to adapt these buildings for modern communications is the $700,000 for the premise wiring contained in the FY 1987 Furniture and Furnishings budget.

Question. In relation to telephone costs in general:

Does the Library lease its telephone instruments or did they take advantage of the large scale Government buy a few years ago?

Response. The Library purchased its telephone equipment in 1985.

Question. Did that produce a significant savings in the telephone costs?

Response. The telephone instrument purchase did result in significant savings. We estimate annual savings in telephone costs to be $1,080,000. These funds were used to support six positions to provide the necessary work on installation and maintenance of equipment which was formerly done by the telephone company at much greater cost. The funds were also used as a cost avoidance measure so that we did not have to ask the Congress for a portion of our appropriations.

Question. Do the communication expenses shown in your budget request include all costs including repair contracts and maintenance personnel and all data communication costs?

Response. All communication expenses are included in the budget request.

Question. What are these costs?

Response.

Local telephone	$1,288,625
Long distance telephone	493,660
local data communications	228,813
long distance data communications	174,782
teletype, etc.	24,300
voice repair/maintenance contract	35,000
salaries and benefits	236,276
telecommunications equipment	13,500
Premise wiring (Jefferson and Adams)[1]	700,000

[1] Not strictly telephone—will be used for voice, data, optical disk image and video.

Additionally, various Departments do have data communication costs which are associated with accessing and using specific data bases.

BIOGRAPHY FOR RECORD

Mr. Fazio. While Mr. Becker is here, I would like to insert his biography in the record.

[The biography of Mr. Becker follows:]

HERBERT S. BECKER, DIRECTOR, AUTOMATED SYSTEMS OFFICE

Herbert S. Becker was appointed Director of the Automated Systems Office effective July 22, 1985. He succeeded Fred E. Croxton, who retired January 3, 1985. Mr. Becker, formerly Assistant Director, Office of Advocacy, Research and Information, Minority Business Development Agency, came to the Library with 18 years of Government management experience concerned with the design, development, and implementation of information systems.

Mr. Becker graduated with honors from Cornell University (B.A., 1954) and the University of Chicago (M.A., 1957). He received a Bronze Medal for Superior Federal Service at the U.S. Department of Commerce as well as other recognition for professional achievement. Entering Government service as a budget analyst with the U.S. Department of the Navy in 1957, Mr. Becker served first as Head, Financial Progress Reporting, and then as Assistant for Management Reporting Systems, Bureau of Naval Weapons. From 1962 to 1965, he served as Assistant to the Director, then as Director, Office of Management Services, U.S. Post Office Department.

In 1965, as Director, Office of Program Planning, Small Business Administration, Mr. Becker was responsible for planning, developing, and implementing a comprehensive agency-wide system for program analysis. In 1967, he applied similar data management and administrative skills to the Economic Development Administration, designing systems and data bases for use by program managers, accountants, economists, statisticians, and urban planners. In 1979, he became Assistant Director of Planning, Budget and Evaluation, Minority Business Development Agency, and was responsible for a reorganization that gave that agency for the first time a research staff and an information systems staff. He was named to his last position with the Minority Business Development Agency in 1981 and subsequently managed the design, development, and implementation of a nationwide agency information system. He was also given the responsibility to develop and manage an empirical research program which includes economists, statisticians, sociologists and staff from the Census Bureau.

As Director of the Automated Systems Office for the Library of Congress, Mr. Becker oversees the office responsible for research development and operating management of the combination of hardware and software systems that will best support the Library in its many missions. The integration and application of these systems, which involve electronic and mechanical technologies as well as broad and narrow band communications, are directed to the improvement of Library operations within the entire field of information service and analysis, especially those services provided to the Congress, to other Federal agencies, to copyright registrants, to the research library community, to scholarly users, and to Library management.

QUESTIONS FOR THE RECORD

Mr. **Fazio**. I want to keep moving. We did not touch on the backlog in the preparation of books area for Chinese, Japanese, and Korean cataloging. I understand that the backlog has been decreased, and the positions remain available for other things now.

Mr. **Welsh**. The material was not a backlog. It was material that just came to LC. We not only catalog but also our catalogers input the material for machine processing. We originally reduced our request in 1987 from 19 to 16 but now we are prepared to reduce it even further, from 16 to 9.

Mr. **Fazio**. I would like to put a number of questions in the record on preparation of books and cataloging distribution service.

[The questions and responses follow:]

ASIAN CATALOGING PROGRAM

Question. You are asking for 16 permanent positions for the Chinese-Japanese-Korean cataloging program. In fiscal year 1984, we authorized 19 positions to catalog the backlog in this collection. The backlog has now been worked off and your giving up these indefinite positions. Why do you need to add catalogers? Can't this cataloging be done by your regular processing department staff?

You are asking for $10 thousand for telecommunications costs for the RLIN system. This is the system in Palo Alto that our Asian catalogers input into with their cataloging data. Since this is basically a service to RLIN (an expensive one—19 indefinite people plus 16 more in the 1987 budget) why do we have to pay for the date to go over the lines into their computer?

What if we just put that catalog data directly into the Library computer and then charge RLIN to feed their data base?

Response. The original request in the FY 1984 budget for an increase in the staff to catalog and input to machine-readable form Chinese, Japanese, and Korean catalog records was based on two considerations:

1. The number of books from the People's Republic of China jumped from 5,000 to 28,000 in 1982 due to expanded purchase and exchange agreements. It was expected that increasd receipts would continue.
2. Before 1982, records in oriental languages existed only in printed catalog card form. The Library needed additional staff to input these records into machine-readable form.

Our original fiscal 1987 request for 16 positions to replace the 19 indefinite positions initially authorized can now be reduced to 9:

1. Acquistions have continued at a generally high rate. In 1984, LC received 21,518 books from the PRC and in 1985 the number totalled over 23,000. However, the non-selection rate has proved to be higher than anticipated. Therefore the total number of new Chinese titles to be cataloged has not been quite as high as we expected.
2. Since its original request the Library has improved the efficiency of its cataloging and input operation. The cataloging and input functions have been conbined, resulting in a need for fewer staff. Because of this efficiency, we have dropped our request for an additional cluster of RLIN terminals and are also dropping the request of $10 thousand for telecommunications cost.
3. The RLIN system has proved to be remarkably efficient. Staff can create characters on the terminal more rapidly than was anticipated.

These 9 additional staff members are still urgently needed because:

1. Although the level of Chinese acquisitions has not been sustained as much as expected, it is still almost three times greater in 1985 than it was in 1981.
2. The Library is now cataloging considerably more Chinese than before. In 1982, 9,670 Chinese books were cataloged; 13,409 were cataloged in 1985.
3. The Library is now not only cataloging but also inputting the information into computerized form. Although efficiencies have been made in the cataloging/input system, they are not sufficient to accommodate the significant increase in acquisitions.
4. Cataloging/input staff must have a good knowledge of Chinese in order to carry out their duties. It is difficult to find qualified applicants with the requisite educa-

tional requirements and language capabilities. Therefore it is essential that these positions be made permanent in order to attract and retain qualified individuals.

Finally it must be emphasized that the request in 1984 was *not* to handle a backlog. It was to handle a large jump in current acquistions from the People's Republic of China which has continued up to this time and can be expected to continue in the future.

The computer system used to create these records is located, not at the Library of Congress, but at the Research Libraries Information Network (RLIN) at Palo Alto, California. The opportunity to use this facility came in 1984 when a system to handle oriental characters was developed by RLIN. It is very important that oriental records use vernacular characters because romanization is so ambiguous. In Chinese, alone, there are over 50,000 different characters which are romanized using the 396 roman alphabet syllables of the Wade-Giles system. This means that each syllable (such a "hsia" or "i") equates to more than one hundred different characters. (A table showing some of the characters romanized as "i" follows.)

The necessity of including the vernacular characters in computerized records is matched by the difficulty in doing so. The Library of Congress computer system does not have this capability. When RLIN developed its system, LC was pleased to be able to use it instead of developing its own.

LC is using the system, not to benefit RLIN, but to handle the needs of its own staff and other users. The records input to the RLIN system can be consulted on RLIN terminals at the Library of Congress. This summer RLIN will begin sending tapes containing these records back to LC. They will be made available to the nation's libraries through the MARC Distribution Service.

The Library cannot use its own system to input these records because it has not carried out the extremely costly programming needed to handle oriental vernacular characters.

i

一 弋 弌 㚤 杙 曳 𧙣 釴
𪌭 黓 乂 刈 卩 乙 仡 屹
鳦 役 疫 栧 以 苡 坨 圯
坄 宜 沶 矣 沂 伱 已 邑
俋 悒 浥 唈 挹 亦 帟 弈
衤 衣 扆 依 𧘇 偯 㡼 裔
裛 𣽎 异 奕 翌 羿 浂 翊
熠 彝 逸 遺 㠯 𦣝 苢 𦣞
頤 鮔 秇 帠 抑 佾 伊 咿
洢 𤞣 蛜 呭 枻 詍 靾 㐌
匜 迆 迤 訑 貤 酏 誼 夷
侇 恞 峓 洟 姨 胰 桋 痍
跠 泆 佚 詄 軼 易 埸 敡

Wade-Giles syllables: 396
Chinese characters: ca. 59,000

JCDS OPERATIONS

Question. How much of the CDS Budget and how many positions are for the CDS computer operation?

Response. Of the total CDS budget, $3,030,000 is used to support the computer operations. This includes 61 positions involved in the computer operation. It should be noted that 60% of this figure is considered to be recoverable cost. That is, 60% is supported by earned receipts from the sale of computer-generated products.

Question. The Library has an extensive computer operation (automated systems—ASO). Why isn't the CDS computer included in your ASO operation? Is there any reason why you couldn't consolidate?

Response. In addition to a separate computer, the CDS operations (which are located in the Adams Building) required a considerable amount of peripherial ADP equipment which also requires the controlled enviroment provided by a computer center. Occupying 3,208 square feet, this equipment includes not only the usual disk drives, tape drives and terminals, but also a card reader, two card printers and the very large, noisy OCR order form scanner and sorter. There is insufficient space in the Madison Building to house this peripheral equipment along with the CDS computer—and even if it could be accommodated, we estimate the need for an additional CDS messenger if this were done (to carry material such as order forms, test tapes, production tapes, etc. back and forth between the ASO computer center and CDS in order to continue a distribution service of over 100 bibliographic products). If the peripheral equipment were not moved along with the CDS computer, a computer center environment would still have to be maintained in CDS, along with appropriate staff to operate it.

Question. Will you supply for the record any potential savings or efficiencies that might result from a consolidation?

Response. Existing staffing levels for applications development, applications maintenance, peripheral equipment operators and administrative support would have to be maintained in order to expand or enhance current products and initiate new product lines to meet emerging market needs. The continuing need for computer operators and system programmers would be determined by the nature of the organizational structure implemented.

SUBJECT HEADING LISTS

Question. You are asking for $200 thousand for the subject heading lists. You sell these lists. What are your receipts for this product? What are the costs to produce them?

Response. The total estimated cost for producing and distributing the *Library of Congress Subject Headings* is expected to be $553,720. This total includes printing and binding costs, GPO Videocomp operations, computer time, distribution expenses, postage, etc. The estimated revenue from the sale of this publication is expected to be approximately $712,500, and represents receipts based on cost plus 10% of the sum of all products and services provided by CDS.

However, we would like to note the following for the record: Although still early in the current fiscal year, present projections appear to indicate that fiscal year 1986 receipts in CDS will exceed our previous estimate of $4,700,000. Therefore, we recommend that the CDS receipts level for fiscal year 1987 be increased to $5,000,000; and we further recommend that production of the *Subject Heading* list be funded from these earned receipts.

COLLECTIONS

Question. The purchase of books budget is level with last year. Please update the collections and receipts data.

Response. The table follows:

THE COLLECTIONS OF THE LIBRARY

Category	Titles 1984	Volumes/items 1984
Classified Book Collections		
Class A (General Works)	74,808	357,538
Class B–BJ (Philosophy)	128,905	211,536
Class BL–BX (Religion)	329,742	475,216
Class C (History, Auxiliary Sciences)	88,692	178,571
Class D (History, except American)	611,297	882,817
Class E (American History)	114,661	199,534
Class F (American History)	181,356	317,216
Class G (Geography, Anthropology)	289,050	288,261
Class H (Social Sciences)	957,468	2,045,335
Class J (Political Science)	209,673	637,923
Class K and "LAW" (Law)	502,022	1,628,082
Class L (Education)	178,300	402,546
Class M (Music)	377,612	538,138
Class N (Fine Arts)	234,005	324,942
Class P (Language and Literature)	1,388,936	1,822,824
Class Q (Science)	461,817	809,716
Class R (Medicine)	194,913	336,167
Class S (Agriculture)	150,844	332,703
Class T (Technology)	497,949	970,709
Class U (Military Science)	63,035	143,285
Class V (Naval Science)	33,053	82,956
Class Z (Bibliography)	208,512	488,768
Total classified book collections	7,276,650	13,474,783
Nonclassified Collections		
Audio material		
Discs		
Recorded sound collection		882,046
Talking Books	11,667	13,937
Tapes and wires		
Recorded sound collection		139,496
Talking Books	11,922	12,468
Other recorded formats		5,111
Total audio material		1,053,058
Manuscripts		
Manuscript Division		34,631,783
Music Division		316,774
Other		334,321
Total manuscripts		35,282,878

Titles added 1985	Volumes/items added 1985	Titles withdrawn 1985	Volumes/items withdrawn 1985	Titles 1985	Volumes/items 1985
975	5,012	11	6	75,772	362,544
4,406	4,374	46	21	133,265	215,889
7,674	9,985	362	6	337,054	485,195
3,312	4,889	190	79	91,814	183,391
13,220	19,002	922	4,030	823,595	897,789
1,839	2,735	472	7	116,028	202,262
4,581	6,824	195	12	185,742	324,028
4,691	7,978	111	126	293,630	296,113
30,173	52,852	1,048	5,153	986,593	2,093,034
4,465	9,699	474	85	213,664	647,537
13,827	46,955	321	4,661	515,528	1,670,376
4,039	6,416	61	53	182,278	406,909
4,205	4,869	24	193	381,793	542,814
8,332	14,327	262	13	242,075	339,256
31,437	32,761	394	43	1,419,979	1,855,542
10,078	19,728	202	77	471,693	829,367
6,034	7,066	178	41	200,769	343,192
3,257	6,691	28	126	154,073	339,268
10,668	20,098	147	24	508,470	990,783
1,546	2,680	46	39	64,535	145,926
605	1,127	30	16	33,828	84,067
4,827	11,662	93	81	213,248	500,349
174,191	297,740	5,617	14,892	7,445,224	13,757,631
	23,020				905,066
366	366			12,033	14,303
	13,619				153,115
1,552	1,552			13,474	14,020
	117				5,228
	38,674				1,091,732
	938,499		67,091		35,501,191
	1,694				318,468
	117				334,438
	938,310		67,091		36,154,097

Category	Titles 1984	Volumes/items 1984
Nonclassified Collections – Continued		
Maps (classified and nonclassified)	[1] 3,712,583	3,805,176
Microforms		
Microfiche [2]	[1] 1,874,329	3,564,690
Microfilm [2]	394,890	1,732,358
Micro-opaques	74,436	504,020
Total microforms	2,343,655	5,801,068
Print material/print products		
Books in large type	484	8,551
Books in raised characters	5,575	58,360
Incunabula	4,695	5,693
Minimal-level cataloging (monographs and serials)	57,732	57,732
Music	3,572,784	3,693,666
Newspapers (bound)	8,556	44,947
Pamphlets	162,320	162,320
Technical reports	655,584	1,379,240
Other	3,031,055	6,619,093
Total print materials	7,498,785	12,029,602
Visual material		
Motion pictures	82,989	321,410
Photographs (negatives, prints, and slides)		8,737,055
Posters		56,205
Prints and drawings		239,157
Videotape and videodisc	20,066	25,557
Other (broadsides, photocopies, nonpictorial material, photostats, etc.)		1,079,882
Total visual material		10,459,351
Total nonclassified collections		68,431,133
Grand total		81,905,916

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[1] Adjusted figure.

[2] Includes newspapers, maps, and technical reports. Large microfiche sets are reported as a single title.

Titles added 1985	Volumes/items added 1985	Titles withdrawn 1985	Volumes/items withdrawn 1985	Titles 1985	Volumes/items 1985
8,838	41,546	16,156	16,156	3,705,265	3,830,566
253,708	469,024	3,583	3,583	2,129,454	4,030,131
22,171	28,597	44	52	417,017	1,760,903
2,050	2,547			76,486	506,567
282,929	500,168	3,627	3,635	2,622,957	6,297,601
6	6			490	8,557
334	635			5,909	59,195
				4,695	5,693
26,813	26,813			84,545	84,545
590	590			3,573,374	3,694,256
		496	3,666	8,060	41,281
8,899	8,899	170	170	171,049	171,049
42,239	42,239	22,800	22,800	675,023	1,398,679
2,974	2,974	2,248	2,248	3,031,781	6,619,619
61,855	82,356	25,714	28,884	7,554,926	12,083,074
2,573	3,717			85,562	325,127
	59,180		1,179		8,795,056
	2,990		584		58,611
	14,318				253,475
4,634	5,495			24,700	31,052
	13,830		1,116		1,092,681
	99,530		2,879		10,556,002
	1,700,584		118,645		70,013,072
	1,998,324		133,537		83,770,703

RECEIPTS BY SOURCE, SEPTEMBER 30, 1985

	Pieces, 1984	Pieces, 1985
By purchase		
Funds appropriated to the Library of Congress		
Books for the blind and physically handicapped	1,705,522	1,601,299
Books for the Law Library	57,281	71,401
Books for the general collections	762,196	776,601
Copyright Office	6,432	7,688
Copyright Office – Licensing Division	154	155
Congressional Research Service	278,235	174,504
Special Foreign Currency Program		25
Salaries and expenses, Library of Congress		
Reprints and books for office use	5,145	5,205
Microfilm of deteriorating materials	7,630	11,547
Microfiche of deteriorating materials	29,675	23,744
Motion pictures	51	158
NPAC		
Funds transferred from other government agencies		
Federal Research Division	90,678	56,231
Other working funds	501	101
Gift and trust funds		
Babine Fund	1	
Center for the Book	48	19
Documents Expediting Project	52	52
Evans Fund	31	95
Goff Memorial Fund	2	
Gottscho Fund	4,875	
Heinemann Fund	3	2
Hubbard Fund	8	1
Huntington Fund	1,172	299
James Bennett Childs Memorial Fund		250
Kostelanetz Fund	448	
Lenore B. and Charles E. Feinberg Fund		1
Mellon Fund	1	
Morrow Fund	42	1
NYPL-East African Acquisitions Program	1	

RECEIPTS BY SOURCE, SEPTEMBER 30, 1985 – Continued

	Pieces, 1984	Pieces, 1985
Oliver Wendell Holmes Devise		20
Pennell Fund	12	4
Rowman & Littlefield	17	1
Schwartz Fund		5
Stern Fund	13	5
Swann Foundation (interest)	166	61
Time-Life Books	1	1
Various donors	2	
Whittall Foundation	5	1
Wilbur Fund	371	
Total	2,950,771	2,729,477
By government source		
Local agencies	743	749
State agencies	120,101	125,525
Federal documents (GPO jacket)	531,839	656,126
Federal documents (agencies and non-GPO)	247,904	166,990
Copyright deposits	645,442	689,393
Books for the adult blind	167	184
Total	1,546,196	1,638,967
By transfer from other government agencies	2,464,229	2,599,223
By gift	1,123,890	2,233,487
By exchange		
Domestic	20,363	16,531
Foreign and international exchange	500,482	472,322
Total	520,845	488,853
Total receipts	8,607,931	9,690,007

Outgoing Pieces 1/	Pieces, 1984	Pieces, 1985
By exchange	1,474,881	1,448,036
By transfer	345,363	127,375
By donation to institutions	677,288	625,807
By transfer to GSA	6,385,136	7,084,973
Total	8,882,668	9,286,191

1/ Duplicates, other materials not needed for the Library's collections, and depository sets and exchange copies of U.S. Government publications are included.

COMMITTEE'S PRESERVATION PROGRAM INTENT

Mr. **Fazio**. Now I would like to talk for a minute about preservation.

One of the things mentioned to you when you gave us your list of proposed cuts was our strong belief that the preservation of library materials funding should be preserved to the maximum extent possible.

I understand that you reduced by 16.4 percent or $600,000 in the G–R–H cut, funds for preservation of books and motion pictures, and microfilm and general paper, but as you know in 1984, we proceeded with the $11.5 million deacidification facility. I understand we have had some problems with that.

Mr. **Welsh**. Yes.

I have asked Dr. Sparks to testify, especially with respect to the question about the facility.

Mr. **Sparks**. Mr. Chairman, would you like to hear about the facility first?

Mr. **Fazio**. Tell us a little bit about the deacidification facility, what you have been able to accomplish, and some of the problems you have had.

Mr. **Sparks**. The book deacidification project has moved forward on three fronts this past year. First, the design of the plant and preparation of specifications for equipment to go into that plant has proceeded on schedule, and the Corps of Engineers has implemented the bidding process. The bids are scheduled to be opened in about six weeks, although this schedule may have to be modified to allow for additional design review.

Secondly, we have implemented a book flow study within the Library so that the logistics of book handling and how we are going to deal with moving large numbers of books out of the Library and into the plant is well understood. This program is not complete at the present time, but we are to the point where we have run some trials on handling books.

We have designed a special cart that will be used for transporting the books to and from the plant.

Our third area of effort has been what we call the small-scale test facility that was constructed at NASA's Goddard Space Flight Center, and operated for us by Northrup Services.

This plant was designed to eventually be transferred to the main plant, and to be used for experimentation. For the next two years we wanted to use it to test various engineering concepts and equipment that would be going into the facility, so that we could pretest some of this equipment to reduce the risk of problems at startup. Our plan was to start this facility this fall, and to begin testing of equipment and other procedures to be utilized in this plant.

PROBLEM EVENTS EXPERIENCED

We have had a setback in this area, because of two incidents that occurred, one in December and one last Friday. These incidents involved the observation of two yet unexplained events about which we are still trying to get answers to determine if they will affect the plant design.

The first was the probable condensations of diethyl zinc gas from the gaseous state to the liquid state, in the vacuum chamber. This was accompanied by a subsequent inappropriate operational procedure which resulted in a small flash fire of about five to eight seconds duration. This fire was successfully handled by existing safety systems and caused some minor damage to wiring and surface paint.

The second had to do with what we believe is the eventual decomposition of diethyl zinc liquid left in the pipes after NASA closed the facility when they were investigating the first incident. Apparently the diethyl zinc decomposed into zinc oxide and ethane gas which is a flammable gas. We believe this may be due to some incompatibility of materials in the piping system with the diethyl zinc.

We are trying to obtain additional information on this problem.

Mr. FAZIO. Have we lost materials as a result?

Mr. WELSH. No, sir.

Mr. FAZIO. We haven't?

Mr. WELSH. No, sir, and no injuries to the people either.

Mr. SPARKS. We were testing the various subsystems of this new facility.

Mr. FAZIO. Just to put some background on this, this is the way in which we intend to preserve thousands of holdings.

Mr. WELSH. Millions.

Mr. FAZIO. Millions that the Library currently has that would deteriorate and be lost to the future if they were not preserved in this process.

Mr. WELSH. That is correct.

Mr. FAZIO. So this is a potentially very important element of the Library program.

MODEL FACILITY

Dr. BOORSTIN. It is a model too, Mr. Chairman. It is a model for other institutions and we hope that this is successful. That is one reason why our tests are so important. We expect that other institutions throughout the country and perhaps throughout the world will establish their own plants.

Mr. FAZIO. Will the Gramm-Rudman reduction set back your program?

Mr. SPARKS. That has not had an effect on this program. There was some reduction initially in the 1986 base of research funds, but this was restored later. We have adequate funding for the building, and still have some money left for the research program.

I might continue here, Mr. Chairman, with your permission.

Mr. FAZIO. Sure.

Mr. SPARKS. To give you the rest of the saga. Unfortunately, last Friday during cleanup operations, we were trying to get back to a test configuration so we could prove out the condensation theory. Personnel were purging the lines by pumping on them, and another fire and an explosion resulted. This incident damaged some equipment and the building but no injuries occurred. We believe this happened because a line ruptured and the ethane gas in the line which we knew was there exploded.

If answers to these two experimental problems are available by the time the Army Corps of Engineers is ready to open the bids and proceed, then we will proceed.

However, if we do not have adequate information to deal with these two problems at that time, our plan is to take the most prudent approach possible, and delay awarding the contract until such time as we can judge what the impact of these events may be on the plant design.

We are proceeding with the utmost caution. Some of the best people in the United States who understand the chemistry of these materials are meeting with us and we hope to get to the bottom of it.

Mr. FAZIO. We regret the difficulties you are experiencing. We assume you are going to get on top of them.

Mr. SPARKS. Yes, we will.

TECHNOLOGY TRANSFER PLANS

Mrs. BOGGS. Dr. Boorstin has just mentioned the hope that other institutions will use the technology and create their own deacidification facilities.

What plans do you have for transferring the technology? At what stage of development do you expect to execute that?

Mr. SPARKS. I would think that by the time we have gotten the plant constructed, we ought to be at the stage for technology transfer.

We haven't worked all the procedures out yet, but it will either be for the Library or we will use National Technical Information Service to license the technology to a company or individuals that can demonstrate their ability to use it effectively.

We are most interested in licensing of the process to places that have the wherewithal to build the facility and make it work. It takes some dollars and personnel to do that.

There has been quite a bit of interest in doing this, and I honestly think it will happen. It is essential that these other libraries do this for the same reason that we are doing it.

Mr. FAZIO. I am submitting questions for the record at this point.

[The questions and responses follow:]

DEACIDIFICATION FACILITY

Question. Give us your new time cost schedule for this facility and include the original schedule for comparison.

Response. Given the amount of information we have at this time it is difficult to answer this question accurately. I suggest we could update the Committee as information becomes available on the impact of any design changes on the cost schedule for the facility.

At this time, it appears the building and vacuum chambers construction bid award schedule will be delayed anywhere from 30 to 60 days at the front end of the project. After bid award, the construction schedule will proceed as planned with the possibility of repositioning the chemical delivery system installation at the end of building construction. The building, as currently designed, is flexible enough to accommodate any likely process equipment design. A delay of 10 to 12 months is estimated for reconfiguring and reconstruction of our test facility which could cause extension of the final completion date and start up of the facility by a like period of time. This first year of operation of the facility could be pushed into FY-1989. As best we can tell at the present time, the cost schedule for the main plant facility remains the same although this statement is being made without any bid figures in hand on the construction of the facility. It is clear that there will be a cost impact in engineering testing as it relates to reconfiguring the test facility and completing the appropriate experiments to allow for installation of the chemical process system toward the end of the construction project. A copy of the original schedule is attached for comparison with the current schedule.

MAJOR MILESTONES
Based on
REVISED CORPS OF ENGINEERS SCHEDULE

Schedule 3A

Building design complete - July, 1985
Bid solicitation for building construction - October 1, 1985
Begin construction - January, 1986
Building complete - February, 1987

1/14/84

MAJOR MILESTONES	MONTHS FROM START 2 4 6 8 10 12 14 16 18 20 22 24 26 28 30 32 34 36 38 40
■ A/E Start	*OCT 84
● Thermal/Vacuum Specs Written	*JAN 85
● Chem Equip Requirements Fixed	*JUN 85
■ Bldg Design Completed	*JUL 85
■ Award Thermal/Vacuum Equip	*JUL 85
● Chem Equip Specs Written	*OCT 85
■ Start Fab Thermal/Vacuum Equip	*NOV 85
■ Award Bldg Const	*JAN 86
● Award Chem Equip	*FEB 86
● Start Fab Chem Equip	*MAY 86
■ Thermal/Vacuum Equip Installed	*JAN 87
■ Complete Bldg Const	*FEB 87
● Start Chem Equip Installation	*FEB 87
● Activate Facility	*OCT 87
● Plant Operations Start-Up	*JAN 88

■ CORPS OF ENGINEERS RESPONSIBILITY

● NSI RESPONSIBILITY

MAJOR MILESTONES
LIBRARY'S BOOK DEACIDIFICATION PROJECT

MAJOR MILESTONES	FY 85	FY 86	FY 87	FY 88
A/E START	OCT 84			
BLDG. DESIGN COMPLETED		DEC 85		
START BLDG. CONST. AND VACUUM CHAMBER FABRICATION		APR 86		
CHEM. EQUIP. SPECS. COMPLETED		MAY 86		
CHEM. EQUIP. ORDERED			OCT 86	
CHEM. EQUIP. INSTALLATION INITIATED			MAR 87	
BLDG. CONST.COMPLETED			JUL 87	
VACUUM CHAMBER INSTALLED			JUL 87	
CHEM. EQUIP. INSTALLED			JUL 87	
FACILITY ACTIVATION INITIATED				DEC 87
PLANT OPERATION START-UP				MAR 88

2/28/86

BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED

Mr. FAZIO. I am going to ask Mr. Cylke to join us and then we will go back to the administrative aspects of the Library.

We welcome you once again.

Mr. CYLKE. As you know, Bill Welsh indicated that our request has been lowered to a level of $36,514,000. This is the restoration of the base cut.

Last year our reduction was quite significant. We took a 7.5-percent cut the first time. When you add that to the Gramm-Rudman cut, we are down 11.8 percent. That is significant.

We are running, I would like to think, an efficient and effective program. There is no fat.

Mr. FAZIO. I have never heard a critic of it, as a matter of fact, until we got to the point of censorship.

Mr. CYLKE. Yes, and we weren't responsible for that.

Mr. FAZIO. You certainly weren't.

Mr. CYLKE. We were affected by that, but the impact——

Mr. FAZIO. That was a unique cut from your budget.

Mr. CYLKE. Yes, that was a cut of $103,000 to remove the publication of Playboy in braille.

Dr. BOORSTIN. Mr. Chairman, it has been suggested by some that was done by friends of the service to advertise the availability of the service.

Mr. FAZIO. It certainly may have had that effect.

Mr. CYLKE. Dr. Boorstin has a very unusual approach.

Mr. FAZIO. Given a lemon, make lemonade.

EFFECT OF CUTS

Mr. CYLKE. Please let me tell you what the current budget situation is with us. We were fortunate enough not to have to reduce the staff, because we are approximately 90 percent purchasing things and only 10 percent overhead.

However, if you talk about reduction in staff, we are experiencing a 15 person reduction at our contractors. While they are not Federal personnel, they are people who have been affected.

We had to put a ceiling on magazines. That means people who are using the program now will continue to get their magazines, but new people coming in will not be able to. At the end of a year we will have 12,000 people waiting and the list will continue to grow.

We were forced to cut 100 titles in the cassette area. That means 80,000 copies of the books won't be available. We cut 25 braille titles to the tune of several thousand copies.

What I am saying to you is that we are at rock bottom at this point. We had to go into ceilings, into reduction of books, and when you hear Dr. Boorstin's very eloquent presentation it becomes even more graphic with us because the individuals who use our program have no other resources but those available through us.

And just to make a point, to bring up what was touched on earlier in this hearing, you talk about cooperative effort or cooperative funding. It should be noted that the network of libraries around the country, the 180 libraries that cooperate with us do contribute a total of approximately $25 million. The New York Public Library, the state libraries and various agencies, the Cleveland Public Library similarly all contribute. It is a cooperative program and has been for some time.

If our base is not restored and Gramm-Rudman triggers, we are facing a very serious, severe, detrimental cut. I could not overstate the impact that would be felt by the blind community. We are at rock bottom.

Mr. FAZIO. There isn't any way your program would have been cut in a fundamental way if we did not have this kind of automatic, across-the-board reduction under Gramm-Rudman.

Mr. CYLKE. I would like to point out to you that we could have absorbed the Gramm-Rudman 4.3 percent reduction, with some significant cuts, but we could have absorbed it. It was the 7.5 percent cut that the committee gave us combined with the Gramm-Rudman cut, the double-barreled cut that Dr. Boorstin referred to, which had a significant impact.

Mr. FAZIO. The overall reduction provided the impact.

Mr. CYLKE. That is what I am saying.

Mr. FAZIO. I will do everything I can to find the support, however. I know it will be difficult on this subcommittee to restore the base.

Mr. CYLKE. That is what we are asking for.

PLAYBOY FUNDING REDUCTION DISCUSSED

Mr. FAZIO. To the extent that we can. I also want to make it very clear that I have no intention of accepting the decision of the House, which was ratified by the Senate subcommittee, to leave out Playboy. My position is that if the members want to reinstitute their point of view on the floor, they are welcome to take that up and attempt to do it.

The votes would not be the same today as they were. We are also proceeding with the litigation.

Mr. CYLKE. Yes.

Mr. FAZIO. That is where we should fight this battle.

Mr. Lewis and I will be circulating to our colleagues the opportunity to become amicus curiae, friends of the court, in the legal battle that is about to ensue.

Do you want to give us an update on that?

Mr. CYLKE. The only update that I can give you is that the Library on February 3rd did submit its response to the court. So the matter is there at this point in time. I think it is a fairly clearcut matter. There is no confusion as to what happened or how it happened, and we anticipate a positive result.

In terms of censorship, as Dr. Boorstin pointed out in previous testimony, not this year but earlier, this is the first time that such a thing has occurred. To have it occur in the program for blind and physically handicapped individuals was extremely unfortunate. We await the result, and thank you for your interest.

Mr. FAZIO. Mrs. Boggs.

LIBRARIAN'S OPINION ON PLAYBOY RESTRICTION

Mrs. BOGGS. May I just ask Dr. Boorstin for his personal opinion of last year's decision to restrict the Library's distribution of Playboy.

Dr. BOORSTIN. I have already stated and I will restate my position.

I think it was a most unfortunate decision, not because I have any particular brief for Playboy, but I do have a brief for freedom of the press, and freedom of libraries, and the decision as to which magazines should or should not be made available in braille was made by a committee, which included ample representation, responsible representation of the blind community.

They put Playboy on their list. It is a magazine which has not been excluded from the mail. It is not illegal, and I think that within those limits, it is inappropriate for the Congress to restrict the access of any American citizen to any kind of material.

I am against censorship, in other words, and this I believe was a form of censorship, and it was greeted as that by many members of the community.

I think also it was doubly unfortunate for reasons which Mr. Cylke has already mentioned, that the blind community was the victim of this censorship, because it implies that somehow the members of this community are not fully mature and have to be treated like children, which is an abhorrent notion to me. I think on several grounds it was a mistake.

If the Congress wants to take action or pass laws against magazines like Playboy, that is another matter subject to the decisions of the Supreme Court, but so long as the materials are legal and available to the members of the community generally, I think that a responsible committee ought to be free to select those for distribution to any citizen.

Mr. CYLKE. It has been available, as I am sure you know, for approximately 15 years without any controversy.

Mrs. BOGGS. Thank you.

Thank you, Mr. Chairman.

READING MATTER SELECTION PROCEDURES

Mr. FAZIO. Yes, Mrs. Boggs. I am glad that you had Dr. Boorstin reiterate his statement.

One group of blind citizens discussed with me the possibility of putting in the report language directions to ensure that the publications are selected by the community that uses them.

I would like to work with you along that line. It restates the existing situation, but it helps highlight it for those who may be misinformed about the selection process.

Mr. CYLKE. We would be delighted to do that. That does appear in the legal brief, and it would be a restatement of that.

[The material follows:]

1291 Taylor Street NW
Washington, DC 20542
Telephone 202 882-5500
TWX 710-822-1969

National Library Service
for the Blind and Physically Handicapped

The Library of Congress

Selection Policy for Reading Materials

Purpose

This policy serves as a guide in the selection of printed materials to be produced in braille or recorded media by the National Library Service for the Blind and Physically Handicapped (NLS).

Legal Responsibility

Under Public Law 89-522, the Library of Congress is responsible for providing library materials for blind and physically handicapped residents of the United States and United States citizens living abroad. NLS has the responsibility of carrying out this mandate and seeks to cooperate and coordinate with other agencies and groups so that readers may have access to the widest possible number of titles.

Program Policy

NLS users should have access to the same books and information made available to the nonhandicapped through public libraries. The general reading needs of the aged, the young, the professionals, and others should be reflected proportionally in the collection in relation to the overall readership served. The collection should offer standard classic and informational titles, along with works of popular interest and recreational purposes.

Selection of any given book is not to be interpreted as an endorsement of the views expressed therein. Items selected, after due deliberation and in accordance with this policy, are reproduced in their entirety and remain in the collection even if they are offensive or unacceptable to some readers. NLS subscribes to the American Library Association's Library Bill of Rights and Freedom to Read Statement.

NLS serves as the central node in a national network of regional libraries offering public library service to blind and physically handicapped individuals. It utilizes the production capabilities of commercial, nonprofit, and volunteer outlets to produce quantities of books ranging from a few copies to more than a thousand copies. The quantity of any title produced is dependent on the pertinency of the work to the network library collections and to expected reader demand.

A supplementary collection of materials is produced by regional and subregional libraries utilizing volunteers to provide books of local and regional interest, books of recreational or informational interest not provided for in the NLS collection, and textbooks, which are not generally a part of the NLS collection.

Implementation

Advisory Groups

NLS establishes advisory groups as necessary to obtain and provide guidance to staff in pursuing these guidelines and criteria for selection. Members of the groups represent readers and network libraries.

Guidelines for Consideration

1. Books are considered for selection only when print copies are available for examination. Priority is given in the collection's development to make existing published material available; original manuscripts are rarely accepted for the collection and only with NLS administrative approval.

2. The collection includes reference works where practical. Readers requiring information from highly specialized reference tools may be better served through the NLS network and its coordinated use of volunteers or through other nonprofit organizations providing such material on an individual needs basis.

3. Standard works relating to the world's major religions, such as the holy books, are provided in proportion to demand.

4. Titles which serve only propagandistic purposes, in any subject area, are excluded except where important documents by prominent individuals are included.

5. NLS offers selective coverage of titles in foreign languages based on the relative size of the language group in the overall readership.
   a. Emphasis in developing the foreign language collection is on acquiring materials in braille and recorded editions by purchase and through gift and exchange arrangements with overseas organizations.
   b. Children's titles, including bilingual editions, and titles that may be used by adults for self-education are included.

6. NLS does not provide:
   a. Textbooks or other curriculum-related materials except as such materials also serve the general public.
   b. Informational resources when the information contained therein is of a nature to become dated before the production process can be completed.
   c. Local histories or other items of specific local interest. It is expected that regional and subregional libraries will develop their own collections of local interest and other materials not provided by NLS.

7. NLS purchases commercially produced works in recorded or embossed format only when they are reproductions of print books and only when it is more expeditious and cost effective to purchase than to produce.
   a. Nonprint materials may be considered on an individual basis with approval for inclusion granted by the Director.
   b. Generally, the responsibility rests with the libraries making up the NLS network to procure commercially produced recorded or embossed versions of print books as well as nonbook commercial items to supplement these literary works.

8. NLS seeks to stimulate governmental and other agencies to provide in media appropriate for distribution important documents, forms, and explanatory information necessary to the well-being of all citizens. When an agency cannot or does not provide these items, NLS may do so.

9. To incorporate as many titles as possible into the collection, reproduction of titles in more than one medium and in both braille and recorded media is minimal. Duplication, when it exists, is based on and reflects NLS response to known reader needs or anticipated popularity.

10. NLS provides periodicals in all media. Emphasis is on, but not limited to, periodicals listed in the *Readers' Guide to Periodical Literature* to provide easy access to the periodicals for reference purposes.

11. The young adult collection, serving students in grades nine to twelve, is considered a part of the adult collection, and selection of materials is governed by the same criteria and developed in the same way.

12. The children's collection is developed to meet the needs of children from preschool (age 4) to grade eight. The criteria used and the collection's development are patterned after the adult policy.

13. Musical texts and scores of serious interest, and theory, composition, and instructional materials are maintained as a special collection. Books on music and musicians geared to the layman are a part of the NLS general collection.

Criteria for Selection

1. Selection of books for the collection involves a consideration of what has already been selected in the subject area, the media previously used, the audience to which the title will appeal, its potential popularity, the format of the book, and the media to which it best lends itself.

a. Nonfiction. In the area of nonfiction, the collection offers representative coverage in all major subject areas, with selective coverage in subareas and attention to the following:

(1) Broad trends in public interests, knowledge of developing theories and practices in the various subject areas, and availability of appropriate titles suitable for reproduction.

(2) Authenticity and documentation, development of materials in areas of particular interest to readers, classic and standard materials, contemporary works, specialized works when such works are of interest to educated laymen, and the work's potential for informational reading and reference.

b. Fiction. In the area of fiction, selection of novels for the collection involves meeting recreational and educational reading needs of a large readership with vastly different tastes, interests, purposes, and reading levels. The collection contains not only representative works of literary quality and cultural value but also representative works of popular and experimental interest.

2. Criteria used for the selection of periodicals include the above, plus consideration of whether the periodicals reflect current thinking in the various fields represented, have high interest and demand, are representative in their points of view, and provide recreational as well as informational readings.

BOOK SELECTION POLICY

Mr. **Cylke**. We have a book selection policy and a collection development policy, and as in previous years, there is a group of individuals representing the blind and the physically handicapped in the Library communities which gets together and makes recommendations.

Dr. **Boorstin**. Mr. Chairman, may I add just one thing? Since the subject has been raised, I would like to clarify one point. That is that I am the defendant. I think the Librarian of Congress is the defendant in this case, and I felt that even though I was asked by some members of the blind community to take the position that there was an ambiguity in the intention of the Congress, I refused to do that, because I think that it was not ambiguous and our relations between the Library of Congress and the Congress is not legalistic. It was clear to me that the Congress did not intend to spend the money for that purpose, so therefore we did not do it.

Mr. **Fazio**. I appreciate what you did. It was the right thing. We want that issue resolved. Whether or not we reinstitute it in the next fiscal year is not the issue. The Congress did the wrong thing. The courts should rule on the issue.

I would like to challenge my colleagues to show more maturity in dealing with the issue on the floor. There is no question that some Members have mellowed with time and have been influenced by constituencies. We want to even the odds and show them that there are people who are concerned about the rights of the disabled and about freedom of speech and censorship.

We should give those individuals another opportunity to show that they have learned a lesson. I hope that they have. I am not sure.

I am not going to offer the amendment, but I will be surprised if someone doesn't think twice about it this time.

We will do what we can, Mr. Cylke. Let's proceed.

Mr. **Cylke**. I will appreciate whatever you can do. All the cuts that I referred to earlier relate to you. If the base isn't restored, those cuts of course have to remain, and then the impact will increase as the months go by.

Mr. **Fazio**. Most of the base restoration Mr. Welsh talked about earlier impacts on your program as well, is that correct?

Mr. **Welsh**. Yes.

NLSNET AND READS PROGRAMS EXPLAINED

Mr. **Fazio**. Will you tell us about the NLSNET and the READS programs?

Mr. **Cylke**. Yes, surely.

Mr. **Fazio**. How it specifically interrelates with other libraries regionally.

Mr. **Cylke**. This, of course, is in the part of the budget that we are not asking for, that we have rescinded, but let me just very briefly describe it to you.

READS is an acronym that stands for a circulation system which has been developed to provide the ability for the regional and subregional libraries to distribute their materials in a more effective and efficient manner. We have undertaken the development of the software, and created that, had it tested in Mississippi, in Kentucky and in South Dakota.

The system is up and working. Now it is being implemented in other libraries. As they buy their own hardware, they will use our software, and go into a system which again is an efficient way of storing the requests and circulating the books.

NLSNET is an acronym for a network that would work with our management information system. Let me give you an example of the type of thing that we do. When we select a book for publication, and we produce it in 800 to 1,000 copies, we have regional and subregional libraries around the country indicate how many copies they would like. It is a fairly efficient system. It is processed by keypunching.

However, it can be more efficiently done through an on-line computer hookup. It also helps in gathering statistics, manipulating these statistics and in managing the program in an efficient way. NLSNET is a useful adaptation of existing computer technology which has been applied to a program to make more efficient use of the monies.

FY 86 CUTS DISCUSSED

Mr. **Fazio**. I want to make one thing clear. When we were forced to take the cuts in the Legislative Branch last year, and the Library was affected by that, we had your assurance that the reductions would not impact the readership. Of course, Gramm-Rudman subsequently came along.

Mr. **Cylke**. All bets are off! Perhaps I should say it more strongly. When I was sitting here last year I was accurate at that point in time. Following that time came the $1.4 million G-R-H cut. We are now absolutely affecting people. If we don't have the restoration of the base, we will affect more people.

Mr. **Fazio**. I understand. I don't have any doubt about where we are now.

Mr. **Cylke**. No one knew.

Mr. **Fazio**. We didn't know Gramm-Rudman was coming. It was not our intention to hurt the readership.

Mr. **Cylke**. We understand that. Your assurance was taken as it was offered.

My response to you was the best I could give at that point in time. My response this year is not the same.

Mr. **Fazio**. My frustration in this whole area is when we try to be responsible in our budgeting and then we have the meat-axe approach of Gramm-Rudman coming in, it doesn't build in any fiscal prudency or responsibility. It takes the process out of the hands of rational people and results in inflated requests to this committee. We are in a difficult position and it is frustrating.

Mr. **Cylke**. Let me give you motherhood and apple pie. We have never inflated a request and I would like to think we will never inflate a request to you. Our requests through the years have all been straightforward.

Mr. **Fazio**. They have always been ratified.

Mr. **Cylke**. We live with great fear of what could happen to us in 1987, in terms of the impact.

Mr. **Fazio**. There is no way the legislative branch will escape from the Gramm-Rudman cuts of 25 or 30 percent.

Mr. **Cylke**. If it is a 25 percent cut, we are back to probably the level of 1969 in terms of the book distribution program. It is very serious.

Mr. **Fazio**. I am pleased that you have been forthright with us this year as well as in the past.

Mr. **Cylke**. We thank you——

Mr. **Fazio**. My grandfather is no longer alive, but he certainly benefitted for many years from the book distribution program. I am a firm believer in your efforts.

Mr. **Cylke**. We have appreciated your support. Thank you.

Mr. **Fazio**. Let's hope we can restore some funding this year.

Mr. **Cylke**. I certainly hope so.

Mr. **Fazio**. Thank you, Mr. Cylke.

If we could go on to the EEOC office, we have discussed preservation and I wanted to put questions in the record about Books for the Blind and Physically Handicapped and the Automated Systems Support.

[The questions and responses follow:]

BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED

Question. For the record, update the readership, acquisition, and machine data on pages 736-737.

Response.

Chart 1

NATIONAL LIBRARY SERVICE FOR THE BLIND AND PHYSICALLY HANDICAPPED

LIBRARY OF CONGRESS

NATIONAL PROGRAM IN ALL LIBRARIES
READERS AND CIRCULATION--BOOKS AND MAGAZINES
FIVE-YEAR SUMMARY

(All figures rounded to the nearest 100)

Program Fiscal Year	Readership[1]	Percent Change from Previous Year	Circulation	Percent Change from Previous Year
Braille:				
1981	19,200	- 1.0%	667,600	+ 1.1%
1982	20,000	+ 4.2%	692,200	+ 3.7%
1983	18,200	- 9.0%	681,000	- 1.6%
1984	17,000	- 6.6%	695,100	+ 2.1%
1985	18,300	+ 7.7%	699,500	+ 0.6%
1981-1985 change	- 900	- 4.7%	+ 31,900	+ 4.8%
Average annual change	- 200	- 0.9%	+ 8,000	+ 1.2%
Recorded:[2]				
1981	614,000	+ 4.8%	17,035,600	+ 5.0%
1982	615,200	+ 0.2%	17,102,700	+ 0.4%
1983	603,600	- 1.9%	17,555,000	+ 2.6%
1984	612,100	+ 1.4%	18,332,400	+ 4.4%
1985	646,300	+ 5.6%	19,351,500	+ 5.6%
1981-1985 change	+ 32,300	+ 5.3%	+ 2,315,900	+13.6%
Average annual change	+ 8,100	+ 2.0%	+ 579,000	+ 3.6%

---

[1] Readership reflects a decrease in FY 1983 due to efforts by the Library of Congress and cooperating network libraries to weed reader files of inactive patrons.

[2] Combines cassettes and discs.

Chart 2

ACQUISITION PLAN--BRAILLE MATERIAL
1987

	Number of titles	Average number of copies	Average cost/ title	Total cost
Press Braille Books..............	351	64	$ 5,500	$ 1,929,534
Magazines, General................	26		51,300	1,346,700
Magazines, Library of Congress....	1		162,000	162,000
Magazines, Music..................	2		9,600	19,200
Miscellaneous.....................				225,000
Total.........................				$ 3,682,434

ACQUISITION PLAN--RECORDED MATERIALS
1987

	Number of titles	Average number of copies	Average cost/ title	Total cost
Recorded Cassette Books				
General........................	1225	840	$ 4,174	$ 5,113,434
Foreign........................	50	330	3,450	172,500
Rigid Disc Books..................	218	855	7,500	1,633,471
Flexible Disc Books...............	100	2860	12,270	1,227,000
Flexible Disc Magazines, General..	37	7345	110,526	4,200,000
Magazines, Library of Congress....	1		1,045,567	1,045,567
Magazines, Music..................	4		42,000	167,894
Miscellaneous.....................				80,000
Total.........................				$ 13,639,866

2/86

Chart 3

PROPOSED FISCAL YEAR 1987 MACHINE AND RELATED EQUIPMENT ACQUISITION CHART

	Units	Funds
Machines	46,000	$5,090,788
Equipment		310,000
Headphones	15,000	
Remote control units	0	
Pillow speakers	10,000	
Breath switches	0	
Extension levers	0	
Total		$5,400,788

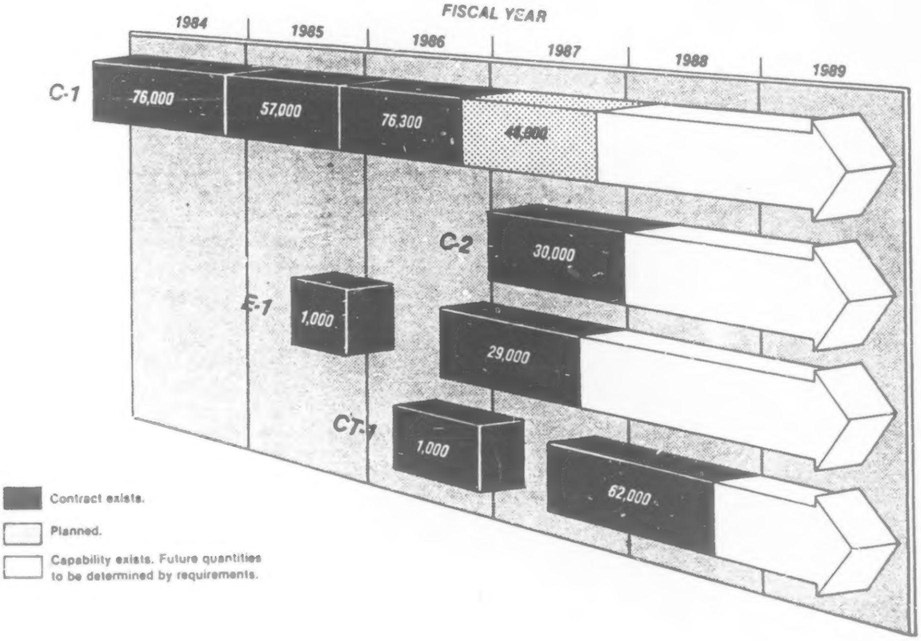
Note: Total sound reproduction units assigned to patrons, or pending assignment, at machine-lending agencies as of January 31, 1986:

Disc players	275.589
Cassette players	575,558
Total	851,147

Chart 4

The Library of Congress
National Library Service for the Blind and Physically Handicapped

Machine Production Schedule



It should be understood that C-1 and C-2 refer to NLS designed cassette machines, E-1 reflects our cassette machine developed to be used by those individuals not requiring many controls and CT-1 is the combination record player/cassette machine.

Question. How many micro computers will this $150 thousand buy? Where will they be placed? Will the regional libraries provide their own NLSNET computers?

Response. At a cost of approximately $4200 each, the $150,000 will buy thirty-five (35) IBM PC-XT microcomputers and peripherals which will be placed at NLS, two multistate centers and in regional libraries and machine-lending agencies around the country which directly cooperate in the Library of Congress program. This would be almost half the total of seventy-two (72) sites involved in NLSNET. Additional equipment would be purchased for $150,000 in the second year.

Some large regional libraries which are already automated may be able to provide their own computers to communicate through NLSNET. For these sites NLS would supply the hardware design and enhancements necessary to make the library's existing computer compatible with NLSNET configuration.

Many states have contracts for procurement of microcomputers which require them to buy local brands and types not compatible with NLSNET design. Federal procurement is the only method through which network compatibility can be achieved in a timely, efficient manner.

Question. How many U.S. citizens are eligible for your program and how many take advantage of it?

Response. A review of available statistics indicates that approximately 3,000,000 individuals meet established eligibility criteria. Of this number 2,000,000 are blind or visually handicapped and 1,000,000 are otherwise physically handicapped.

During FY 1985 the National Library Service for the Blind and Physically Handicapped served a readership of 664,600.

Question. Explain the $2.3 million computer upgrade. How will the replaced computer be disposed of?

Response. Automation which started out as a peripheral support activity for the various Library functions has in recent years become increasingly central to most of the functions of the Library, both in terms of staff use and user access to our data bases. We have a number of tracking systems for monitoring the use of our hardware, in particular the CPU. Reviewing that data for the past five years indicates a steady growth in both on-line CPU and batch CPU utilization. The number of applications on the system, the size of the data bases being accessed, the number of terminals being serviced and the frequency of terminal use have all grown steadily. A key way of measuring this growth is to track the number of transactions processed. The attached chart #1 clearly indicates a pattern of consistent growth.

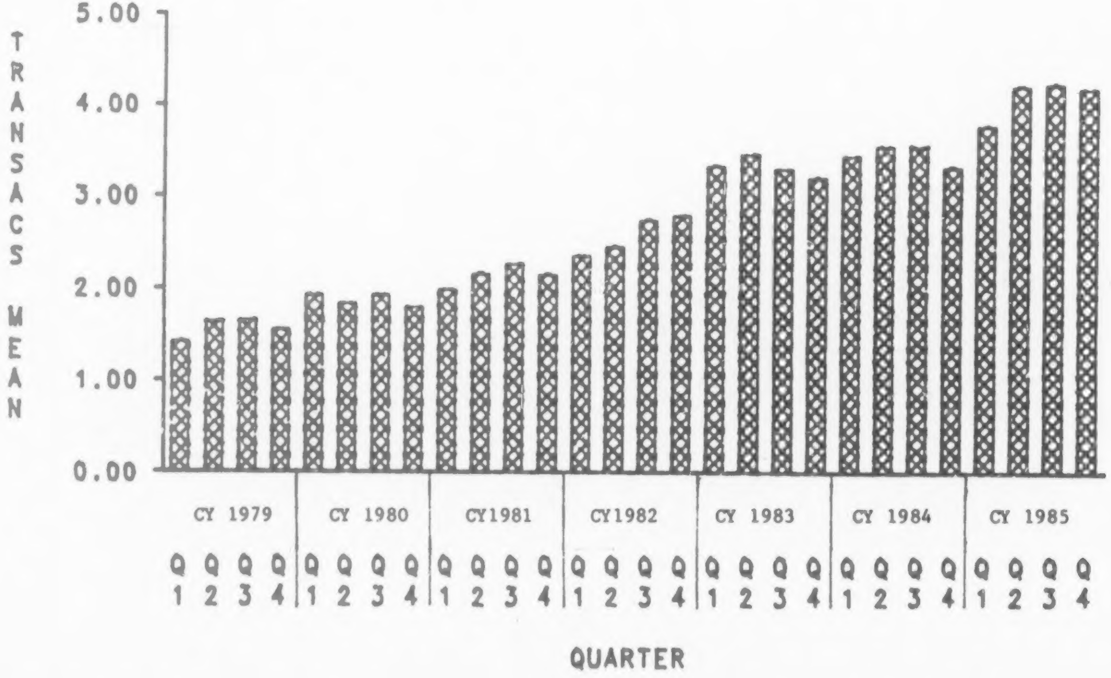
As the number of transactions processed increases and the capacity of the mainframe fills up, response time degrades toward an unacceptable level. This happened in late 1984 and early 1985 when 90th percentile service times tripled over the normal levels. In anticipation of that saturation point, the Automated Systems Office had already initiated a procurement for upgrading the mainframe from a 3033AP to a 3084 QX4 for on-line processing and the replacement of the 3033UP with the 3033AP for batch processing. The analysis at that time indicated that a machine of the size of the 3084 QX4 would be adequate for about two years if the historic growth rate continued. However, the 3084 QX4 was the most powerful mainframe available on the market at that time which operated under the IBM 370 architecture. Since a significantly larger mainframe would not be available until late 1986 or early 1987, the decision was made to obtain the 3084 QX4. As can be noted from the attached chart #2, the installation of that mainframe reduced response time significantly.

Our current projection of the CPU use indicates that in the second half of 1987 response times will have slowed down to the point where access to the mainframe will again be a serious problem for staff relying on the automated systems and for users of the Library trying to retrieve information. In planning for this, we have taken into account the procurement cycle plus the time it takes to bring up a new CPU. This led to a request for funds to procure a larger size CPU which will be available in 1987. A 50 MIPS CPU would be procured through an advance purchase plan starting in fiscal 1987. It would replace the 3084 QX4 as the major on-line Library computer; the 3084 QX4 would in turn replace the 3033AP as the major batch processing machine. Because of expensive software licenses, hardware maintenance, power and air conditioning requirements of the obsolescent 3033AP, it would not be cost effective to retain and operate this machine. Therefore, we would release it for use by another federal agency. Procurement and Supply in the Library would be advised of this availability so that they could advise the appropriate federal agencies.

#1

NUMBER OF TRANSACTIONS PROCESSED

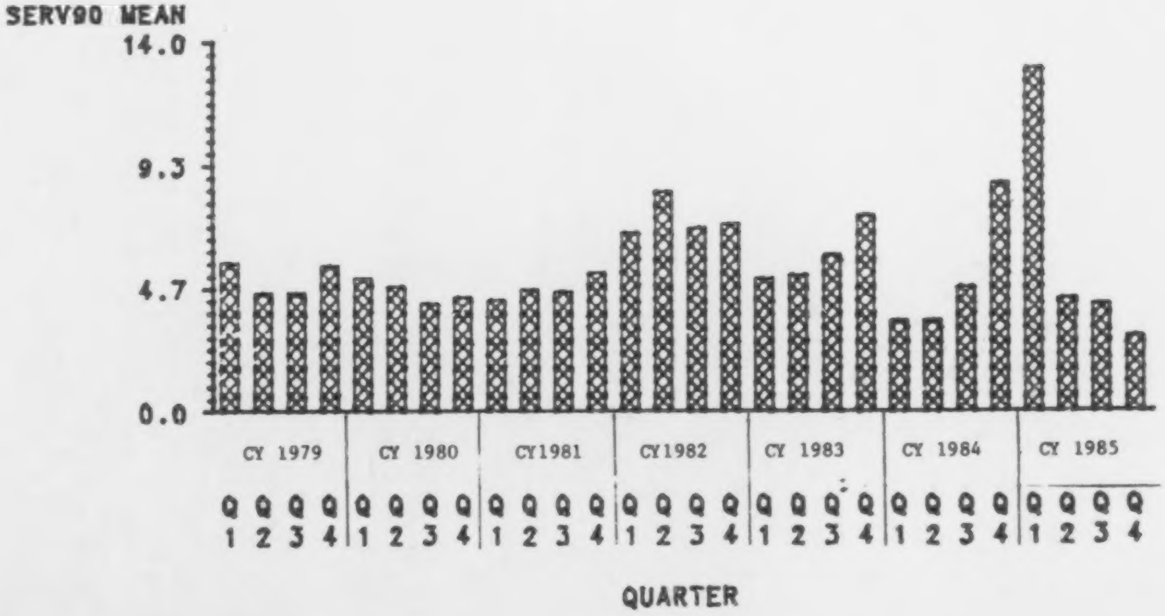
(MILLIONS PER MONTH)



#2

90TH PERCENTILE SERVICE TIME

(SECONDS)



Question. Explain the $245 thousand needed for ADP work stations. Will this completely automate the cataloging operation?

Response. The $245,000 requested for ADP work stations would make it possible to implement on-line cataloging in the Processing Services Department. At this time the different types of catalogers type their information incrementally on a form. The data from the form is finally entered into the computer. There are currently terminals clustered in work stations but there are not sufficient numbers to give each cataloger his or her own work station. It could be argued that catalogers should share work stations; however, the monthly cost of the cataloger including fringe benefits is about $2900 and the cost of a terminal including its share of the controller is about $90. It is clear that individual work stations would enhance the productivity of the catalogers by more than the 3 percent of their salaries which the terminal costs.

The terminals to be installed in the Processing Services Department will allow for the conversion to on-line cataloging of 90% of the cataloging carried out in that department. It will not allow for the automation of the shelflisting (i.e., control of multiple copies) operation which will be automated sometime in the future. It should be noted, however, that on-line cataloging is not the only function of the Processing Services Department. As we automate other functions, it is likely that additional equipment will be necessary.

Question. What improvements in cataloging productivity can be expected?

Response. The following efficiencies of on-line cataloging will have a beneficial impact on productivity:

1. Cataloging data will be keyed only once, eliminating the duplicative keying now performed by the MARC Editorial Division.
2. The number of errors will also be reduced by eliminating this duplicative keying.
3. Paper handling will be reduced.
4. Responsibility for the final cataloging product will be placed on the person creating the information.

Question. If we approve this, how many cataloging workstations will you have throughout the Library?

Response. Within Processing Services, where the major portion of our cataloging is performed, there will be 912 workstations devoted to on-line cataloging operations.

Other units outside Processing Services that also perform cataloging functions will have 35 workstations devoted to these operations. These are primarily located in Research Services and deal with special forms of material not handled by Processing Services.

Question. How does this compare with the number of catalogers?

Response. Within Processing Services, of the approximately 1500 positions, 942 positions are involved in cataloging operations. These include various kinds of catalogers as well as editors and other cataloging support positions that require workstations to perfrom their functions.

In Research Services there is 62 positions involved in the performance of on-line cataloging operations.

Question. If you do not upgrade your computer, will the present computer be able to accommodate the additional workstations?

Response. If we are not able to upgrade our computer in FY 1987, the present computer will be able to accommodate the additional workstations requested in FY 1987. However, it should be noted that response time which is projected to increase in FY 1987 will not be helped by the additional terminals. Response time is a function of data base size, retrieval command design, number of workstations, number of applications, and frequency of use of all the applications. The increase in terminals is only one factor that contributes to increased CPU utilization; it is difficult to measure the precise impact of this incremental addition to the number of terminals accessing the on-line system.

EQUAL EMPLOYMENT OPPORTUNITY COMPLAINTS

Mr. **Fazio.** I would like to talk about the EEOC office. You are asking for six positions. Are these the positions which were transferred a few years ago?

Dr. **Boorstin.** May I ask Glen Zimmerman to speak to that, please?

Mr. **Fazio**. My recollection is that there was a certain amount of failure to implement the hiring of those positions. We are beyond that stage, it is fair to say. Do you want to comment?

Mr. **Zimmerman**. Yes, sir. Since I have been involved with the program, I don't have any recollection of getting additional positions——

Mr. **Welsh**. May I clarify that because that is one of the myths similar to the Library of Congress acquiring all materials to copyright. That was never the case, sir.

We recognized there was a problem and I asked each of the departments to give us one position to help reduce the complaints backlog.

Mr. **Fazio**. So, in effect, you didn't get additional positions. You took them from other areas.

Mr. **Welsh**. Yes, sir.

Mr. **Zimmerman**. We did set up the temporary positions, and I am glad to report—I have detailed information for the record—we have stopped the climb in the number of equal employment opportunity——

Mr. **Fazio**. We no longer have a burgeoning backlog. Is it declining?

Mr. **Zimmerman**. I must say slowly. The figures show the historic pattern of the rise, and then the plateauing off, and now we are coming down for the last year or so.

Mr. **Welsh**. Mr. Zimmerman, shouldn't you report about the evaluation of our program, the RBP program.

Mr. **Fazio**. You are leading the witness.

Mr. **Welsh**. I am sorry.

Mr. **Zimmerman**. The RBP Associates study performed for now in the Library covers the total equal opportunity program, affirmative action. We have involved the labor organizations, managers at the top level, the senior and mid-level managers into this whole process for the whole study of the Library. A case in point here——

Mr. **Fazio**. Which I might add is probably the only effective way to do it.

Mr. **Welsh**. Right.

Mr. **Zimmerman**. A part of that process, we are taking a look and will have a study of the whole equal employment opportunity complaint processing system. I am looking at it as a contractor monitor from a total systems approach.

There are a lot of people involved in it, managers, labor organizations, the staff of the Library, the staff of our office, and I think it is a very healthy approach that we are taking, and it must be as I said a total systems approach, and taking a look at this whole process.

What we expect to receive in the report will be the input from these several different areas that I mentioned. We will be receiving a draft, a set of recommendations for comment by each of these groups.

It will go back to RBP Associates, and they will come back then with an overall set of recommendations to deal not only with equal opportunity complaints process but the whole program of affirmative action processes of the Library.

Mr. **Fazio**. Mrs. Boggs, do you have any questions? This is an area of your concern.

Mrs. **Boggs**. I am satisfied.

Mr. **Fazio**. You are relatively new on the scene, is that what you are saying? How long have you been working in this?

Mr. **Zimmerman**. I picked up responsibility in July of 1984, and we have been working with several parts of the Library in dealing with the complaints backlog.

Mr. **Welsh**. Glen has been with the Library many, many years. He is much older than he looks.

Mr. **Fazio**. He has probably aged since 1984.

Anyway, we appreciate this case backlog being outlined for the record.

We always get into the use of "sir" on this one, don't we?

Mr. **Welsh**. Yes, sir.

Mr. **Fazio**. It shows a sensitivity on the part of all of us.

Mrs. **Boggs**. I am grateful that so much attention has been focused on this.

Mr. **Fazio**. A question for the record is submitted at this time.

[The question and response follows:]

Question. Provide an update of your backlog data for the record. Compare with 1984 to date.

Response. The following is a complete table comparing the backlog for the last several years and depicting a slow down and slight decline in its rapid growth from 1981 to 1984:

LIBRARY OF CONGRESS—DISCRIMINATION COMPLAINTS

	Fiscal years—						
	1974	1981	1982	1983	1984	1985	10/1985–1/1986
Complaints pending, start of year	12	122	119	123	140	169	160
New complaints received	96	125	106	134	128	114	33
Total workload	108	247	225	257	268	283	193
Complaints resolved	101	128	102	117	99	123	40
Complaints pending, end of year	7	119	123	140	169	160	153

WRIGHT-PATTERSON FILM LAB

Mr. **Fazio**. I have questions about the dehumidification system at Wright-Patterson in the film lab there. There was a $500,000 request. We understand that facility is in good shape. Tell us about it

Mr. **Curran**. There are two structures out there. One is a vault structure for storing any nitrate film, which of course is potentially dangerous, and then there is another structure across the way which is where they process the film and convert it to a safety base.

You are talking about the structure that is the vault building, which has never really had adequate dehumidification, that is taking the water out of the air, and then what was there has now failed completely. Now there is no humidification system in that vault.

Yesterday I was told, for example, the humidity was at 90 percent in the vault. This creates some serious preservation problems for the nitrate film that is awaiting conversion, and the vault I understand is substantially full.

Therefore, what we are asking for is money to deal with that problem, and this doesn't simply involve machinery. It means vapor barriers on the walls of the vault, I understand, channeling and digging out the drains to control the humidity in that space.

We feel it is simply crucial to the program, and it can't be avoided without doing substantial damage to the film that is there. It is not desirable in the sense that you have to spend a half a million dollars to control the humidity in that vault, but we don't think there is an adequate alternative.

Mr. **Fazio**. Is it the property of the Library?

Mr. **Curran**. The film?

Mr. **Fazio**. The film vault.

Mr. **Curran**. The film is mainly the property of the Library. The millions of feet of film that are there. The Air Force owns the building.

I would say that most of the film is the physical property of the Library. Intellectual property is another issue.

Mr. **Fazio**. OK?

Mr. **Curran**. Of course, the right to copyright.

HISTORY OF LAB LOCATION

Mr. **Fazio**. I forgot the history. Why at this Air Force Base in Dayton, Ohio?

Mr. **Curran**. They had a storage vault. The potential for explosion and fire is real. Prior to this our film was stored at Suitland, but there was a fire at Suitland. Film belonging to the Archives was destroyed. Because of the potential hazard we moved our process out of the library buildings to Wright-Patterson. We employ staff there because of the concerns for having the process in our buildings on Capitol Hill.

Mr. **Fazio**. I know that base well, because I have a logistics command facility in my District that is one of the five managed out of Dayton.

I wonder if we could find $500,000 in the Air Force budget.

Mr. **Curran**. As a matter of fact, we are not unhappy. The lease of the space is free to us. The Air Force, unlike GSA, for example, where we pay a million dollars a year for a building, at that location we don't pay for the space.

Mr. **Fazio**. Maybe we should leave well enough alone.

Mr. **Curran**. We pay $40,000 for the electrical costs, that sort of thing, but we don't pay rent on the space. If we had, it would be factored into the rent. That is why we are here. We have had to pay for the modification costs of the building, because we don't pay rent.

FILM OWNERSHIP

Mr. **Fazio**. What other films are preserved there, other than those in the care of the Library? Are they storing other films for other entities there?

Dr. **Broderick**. This is dedicated space to the Library's collections. We do have some film, a negligible amount, that is on deposit from other institutions which don't have the facilities to store it.

But it is probably 95 to 98 percent the Library's own collection, including deposits available for copying.

Mr. **Fazio**. The Air Force doesn't have their own film preserve?

Dr. **Broderick**. No. This is space dedicated to us. It is a very severe problem.

Mr. **Fazio**. Are there other vaults on the base for other entities, agencies?

Dr. **Broderick**. I am not aware of that. In fact, I think the Air Force was ready to give up this storage space for its own uses. That was the reason that we were able to move in there for our storage.

Mr. **Fazio**. I see. Ninety-five percent is Library materials?

Dr. **Broderick**. It is all under the control of the Library. There is a negligible amount of material that we are keeping for, for example, Eastman House in Rochester, New York. Some other material of that type because——

Mr. **Fazio**. We are not asking them to help us fund this?

Dr. **Broderick**. We have not, no.

Mr. **Fazio**. Do they provide other services to the Library?

Dr. **Broderick**. As for Eastman House—I would say this is a service we are providing on behalf of the storage of this material, and its preservation.

Eastman House, as you may recall, was on the verge of going out of this business altogether two or three years ago, until there has been a special fund-raising effort up there, just to keep its operation going.

So, I am not sure how far we could get.

Mr. **Fazio**. Fine. I would like to insert a question for the record.

[The question and response follow:]

NITRATE FILM CONVERSION

Question. The quality control function for your nitrate film conversion is done here in Washington. We know that creates some problems at the lab. Why don't you relocate that operation to Dayton?

Response. The Library has placed one Quality Control Inspection Specialist at WPAFB and has attempted to fill a second position there. Although there have been substantial recruitment efforts made to find qualified candidates, these attempts have so far not been successful. Quality control of film copied at WPAFB now is being done by the quality control staff member at WPAFB. The Library believes that it is in the best interests of the film preservation program to continue to have quality control staff at both Washington and Dayton locations for the following reasons:

1. D.C. quality control staff have other duties which involve material located in D.C. and which could not be performed, or performed in a timely manner, at Dayton:

(a) Quality control for film and video-to-video transfer;

(b) Inspection of film/video (purchases, acetate copies from outside labs) necessary before invoices for these materials can be paid;

(c) Pickford Theater projectionist duties (would need to hire an additional staff member to do these duties).

2. Research necessary to document that the acetate copy of a film title is complete, and that the nitrate copy can be disposed of, frequently requires the use of sources only available at LC.

3. Once the second quality control position is filled at WPAFB, there would not be space for any additional staff. Adding three positions would necessitate reconfiguring or adding space in the lab and/or vault area (where space is already tight).

4. It would be necessary to ship currently uninspected acetate (approx. 30,000 cans) copies back to Dayton for inspection, and then back to D.C.

COPYRIGHT OFFICE

Mr. **Fazio**. Let's talk about the Copyright Office at this point. The request is for $18,428,000 and 576 positions. There is $7,450,000 in estimated copyright fee receipts which will reduce the direct appropriation request to $10,978,000. We welcome our Register, Ralph Oman. We would be happy to include your biography in the record of the committee.

Mr. **Oman**. Thank you, Mr. Chairman.

[The biography of Mr. Oman follows:]

Ralph Oman, Register of Copyrights

Ralph Oman, chief counsel of the U.S. Senate Committee on the Judiciary's Subcommittee on Patents, Copyrights and Trademarks, was appointed Register of Copyrights, effective September 23, 1985. Mr. Oman, whose appointment followed a nationwide search for a new Register, succeeded David L. Ladd, who resigned in January 1985. Associate Librarian of Congress Donald C. Curren served as acting Register during the interim.

Born in Huntington, N.Y., on July 1, 1940, Mr. Oman received a bachelor of arts degree in history from Hamilton College in 1962 and a doctor of laws degree in corporate and international law from Georgetown University in 1973. He also received a diploma from the Sorbonne in Parris in 1961 and attended Columbia University in 1964. He is a member of the District of Columbia Bar and the Supreme Court Bar and of the American and District of Columbia Bar Associations.

Mr. Oman has worked since 1975 in all major aspects of copyright law. As chief minority counsel for the Subcommittee on Patents, Copyrights and Trademarks, he helped draft the language and negotiate the compromises that resulted in the passage of the landmark Copyright Act of 1976. In his position as chief counsel, to which he was named in 1977, he supervised the staff of the committee, prepared legal analyses and legislative proposals, speeches, and articles, and kept track of the legislative calendar and proposed legislation. He participated in the subcommittee's oversight responsibility for the Copyright Office, the Patent and Trademark Office, and the Copyright Royalty Tribunal.

Mr. Oman's other experience includes service as a trial attorney from 1974 to 1975 and again in 1977 with the U.S. Department of Justice Antitrust Division, where, among other duties, he participated in an investigation of international activities of the major oil companies. He served with the U.S. Department of State as a foreign service officer from 1962 to 1964 and as legislative aide to Senator William Roth in 1972 and press aide to Senator Hugh Scott in 1970. Following law school, Mr. Oman served as law clerk to the Honorable C. Stanley Blair, U.S. District Court, Baltimore, Md.

Mr. Oman has addressed numerous legal and scholarly audiences on the subject of copyright and has been a guest lecturer at New York University Law School's Advanced Copyright Seminar. His professional writing included "Copyright in the 98th Congress: A Legislative Perspective," published in the February 1985 issue of *FBA Copyright Notes*. He has served as executive editor of *Law and Policy in International Business*.

Mr. Oman served with the U.S. Navy as a naval flight officer from 1965 to 1970, and again in the summer of 1971 as a lieutenant commander flying antisubmarine patrols in the North Atlantic and surveillance patrols in the Mediterranean and the Straits of Gibraltar. Decorated several times for his service in Vietnam, he is a captain in the Naval Reserve.

Mr. Oman is married to the former Anne K. Hennehan of Cranford, N.J. They have three daughters. The Omans live in Washington, D.C.

The Register of Copyrights is responsible for administering the copyright law in the public interest, advising the Congress concerning copyright matters, serving as principal advisor to the U.S. Government on national and international copyright matters, accepting or rejecting claims to copyright, and managing the Copyright Office, one of the principal departments of the Library of Congress.

In announcing the appointment, Librarian of Congress Daniel J. Boorstin acknowledged the assistance of a search committee of outside experts and expressed his appreciation for this public service. The chairman of the search committee was Dan Lacy, special consultant to McGraw-Hill, Inc. The other committee members were Stanley M. Gortikov, president of the Recording Industry Association of America, Inc. and chairman of the Board of Directors of the American Copyright Council, and Robert Wedgeworth, executive director of the American Library Association. The search committee provided The Librarian with a list of highly qualified candidates for the position, including Mr. Oman. The Library followed its merit selection procedures in filling the vacancy.

REGISTER'S ASSESSMENT OF OFFICE

Mr. OMAN. I have no formal written statement. I would like to express my appreciation for the opportunity to be here to tell you how proud I am to be part of the Copyright Office and part of a team that has shown tremendous increases in productivity over the past few years.

Mr. FAZIO. We are certainly pleased with the work of your predecessor, Mr. Ladd. I think he did an excellent job on improving the backlog and improving procedures at the office.

Might you assess how you find the situation as you walked in the door?

Mr. OMAN. It was excellent as I walked through the door. It has gotten worse since, because of the impact of the budget cuts.

Mr. FAZIO. You couldn't have deferred your entry?

Mr. OMAN. If I had only known.

Mr. FAZIO. If we had all known? Anyway, aside from the problems of Gramm-Rudman, evaluate the office for us, if you would.

Mr. OMAN. We have continued to have increases in our workload. We are now processing close to 560,000 claims for registration a year. That is a significant increase over last year.

As a matter of fact, in the first three months of this fiscal year, the workload has increased 8 percent over the equivalent period in the last fiscal year.

Despite this increase in workload, we have been able to maintain the time required to process an application. It is now at approximately five and a half weeks, which is down from nine and a half weeks a year ago.

One of the reasons for this ability to maintain our currency despite cutbacks in staff has been the introduction of automation. The COIN system has been very successful in eliminating a lot of the delays that result in processing.

I suspect the benefits from that automation will continue into the next few months. At some point, though, we will not be able to accommodate the increases in workload without increases in personal staff productivity, despite automation.

I suspect that the backlog will start to mount. With that in mind, I will say the short-term prognosis is good, but in the long term, if these cuts persist, we will have difficulty keeping our head above water.

Mr. FAZIO. So, you have only the opportunity to fail; is that what you are saying?

Mr. OMAN. Unless you come to our rescue.

Mr. FAZIO. I hope we will be able to make reasonable and responsible augmentations to allow you to continue to keep the program on a high level.

Obviously, we have revenue to gain by making the investment. We think so often that there are very few agencies that need additional funds to produce more for us.

In this case, it is very tangible.

Mr. OMAN. It is a direct public benefit.

CATALOGING DISTRIBUTION SERVICE REVENUES

Mr. FAZIO. The Internal Revenue Service asked for a huge supplemental yesterday in order to save us many millions more. In this instance, you are talking again about an agency that will eventually produce revenues for the government.

We can allow you to propose those applications.

Mr. WELSH. Mr. Chairman, it occurs to me we might pass over another element of revenues in our Catalog Distribution Service. Our offsetting revenues are $4.7 million. We anticipate the revenue will be $5 million.

We would like to get the authorization to use that as an offset. It would offset any increase we are requesting.

Mr. FAZIO. That is a good way to think about it.

Mr. WELSH. I thought it would be good.

SEMI-CONDUCTOR CHIPS

Mr. FAZIO. If we can allocate the funds, we will keep that in mind as we mark up the bill.

Any questions for Mr. Oman at this point? I have one because of a concern that I have about the semi-conductor chip copyrights.

In my District, we have a number of producers of heavily competed products these days.

Are any of the positions in the budget due to workload in that area? Has it been up to what you would anticipate? How many requests have been filed? Are we staying with that workload?

This is a very changing marketplace.

Mr. OMAN. It is a changing marketplace. There is so much investment involved in each individual semi-conductor chip that we do not have a flood of applications. Thus far, we have had a total of 1880 applications, more than half of which have come from the United States.

Of those, approximately 1300 have been registered, and the office, under our current manning level, is able to keep up with the workload.

We have, as of two days ago, a permanent examiner assigned rather than a rotating examiner. We have a section chief for that section, and we have a part-time technical support person.

With that staff, we are able to maintain currency.

Mr. FAZIO. Do you know how many the Japanese have filed?

Mr. OMAN. Yes, I do have those figures. They have filed 481 applications, and all of those have been approved. They never make an error in their applications.

The Federal Republic of Germany has filed 18 applications, and only one has been approved. There is a large discrepancy there.

Mr. FAZIO. Very interesting. Only one of how many?

Mr. OMAN. 18.

Mr. FAZIO. I would like to have those figures placed in the record. Thank you very much

[The table follows:]

Statistics on Mask work registrations—December 31, 1985

Total receipts: 1,880 claims	
Total registrations: 1,263	
U.S.	717
Japan	481
U.K.	39
Netherlands	10
Sweden	6
Canada	5
France	2
Italy	2
FRG	1
Total claims refused registration: 139	
U.S.	107
France	11
FRG	17
Canada	4
Reasons for refusing registration:	
Commercially exploited before 1 Jul 83	47
Deposit incomplete on 1 Jul 85 deadline	34
De minimis	12
Not fixed in a semiconductor chip product	5
Both de minimis and not fixed in a semiconductor chip product	40
Embodied in another claim	1
Total claims in process: 478	
Correspondence rate: 53.7%	

Mr. FAZIO. We also have some questions for the record to be inserted at this point.

[The questions and responses follow:]

COPYRIGHT OFFICE

Question. What is your current registration rate? Correspondence rate?

Response. Our registration rate and correspondence rate are indicated in the following tables:

Registration Rate (page 709 last year's hearings)

Fiscal year:	*Registrations*
1980	464,000
1981	471,000
1982	468,000
1983	488,256
1984	502,628
1985	540,081
1986 Est	530,000

As indicated by the chart, registrations for FY 1985 increased 7% over FY 1984. Our projection for FY 1986 as compared with FY 1985 is lower because of impact of G-R-H and not being able to fill 30 essential vacant positions, with a resulting backlog.

CORRESPONDENCE RATE

[Page 711 last year's hearings]

Fiscal year	Claims received	Claims in correspondence	Correspondence rate (percent)
1978	416,000	131,000	31.5
1979	426,000	115,200	27.0
1980	472,000	116,000	24.6

CORRESPONDENCE RATE—Continued

[Page 711 last year's hearings]

Fiscal year	Claims received	Claims in correspondence	Correspondence rate (percent)
1981	477,000	125,000	26.0
1982	510,000	105,000	20.6
1983	526,000	105,000	20.0
1984	522,000	88,000	16.8
1985	555,000	87,000	15.6
1986 Est	600,000	90,000	15.0

Question. We are disappointed to hear the backlog is increasing. Why is that the case?

Response. Since FY 1984 the number of claims has increased at a rate of 7% per year—from 522,000 in FY 1984 to 555,000 in FY 1985 to 600,000 estimated for FY 1986. We base the 600,000 estimate on the number of claims filed in the first four months of FY 1986. From October 1, 1985 to January 31, 1986, the Office received 200,000 claims.

At a 7% increase per year in receipts since FY 1984, and a reduction of actual staffing levels from 532 in October 1985 to 500 at the end of February 1986 because of G-R-H reductions, the Copyright Office will experience ever-increasing backlogs as indicated on the COPYRIGHT OFFICE KEY INDICATOR chart.

Question. Please update the registration claims workload data, the key indicator data and the correspondence data on pages 709-711 of last year's hearings.

Response.

CLAIMS IN PROCESS

Registration Function	GOAL (revised 1/3/83)	June 29, 1984		October 1984		October 1985	
Initial Processing		25,562		29,342		16,834	
Examination	* 41,800	+ 25,376		17,308		27,614	
Post-Examination and Certificate		+ 26,332		28,565		10,917	
Production		= 77,270	77,270	= 75,215	75,215	= 55,365	55,365
Cataloging	+ 25,000	+ 47,803	+ 47,803	+ 46,846	46,846	+ 68,781	68,781
Total claims in process		=125,073		=122,081		=124,146	
Minus goal	= 66,800	- 66,800		- 66,800		- 66,800	
Backlog		= 58,273		= 55,261		= 57,346	
Claims in the correspondence subsystem			+ 22,196		+ 21,516		+ 16,416
Claims processed but no certificate issued (rejected or closed-out no replies)			+ 2,088		+ 2,168		+ 2,000
Total claims in the Office			=149,357		=145,745		=142,562

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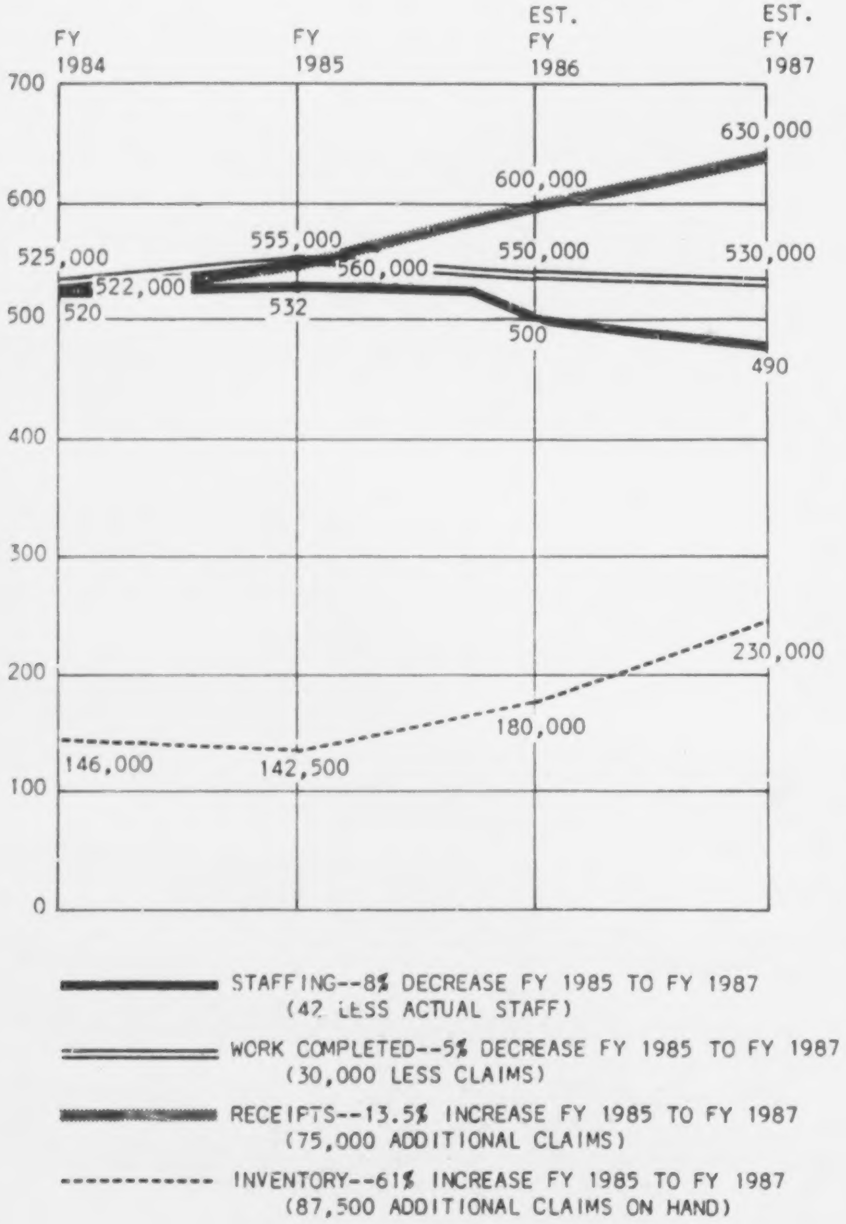
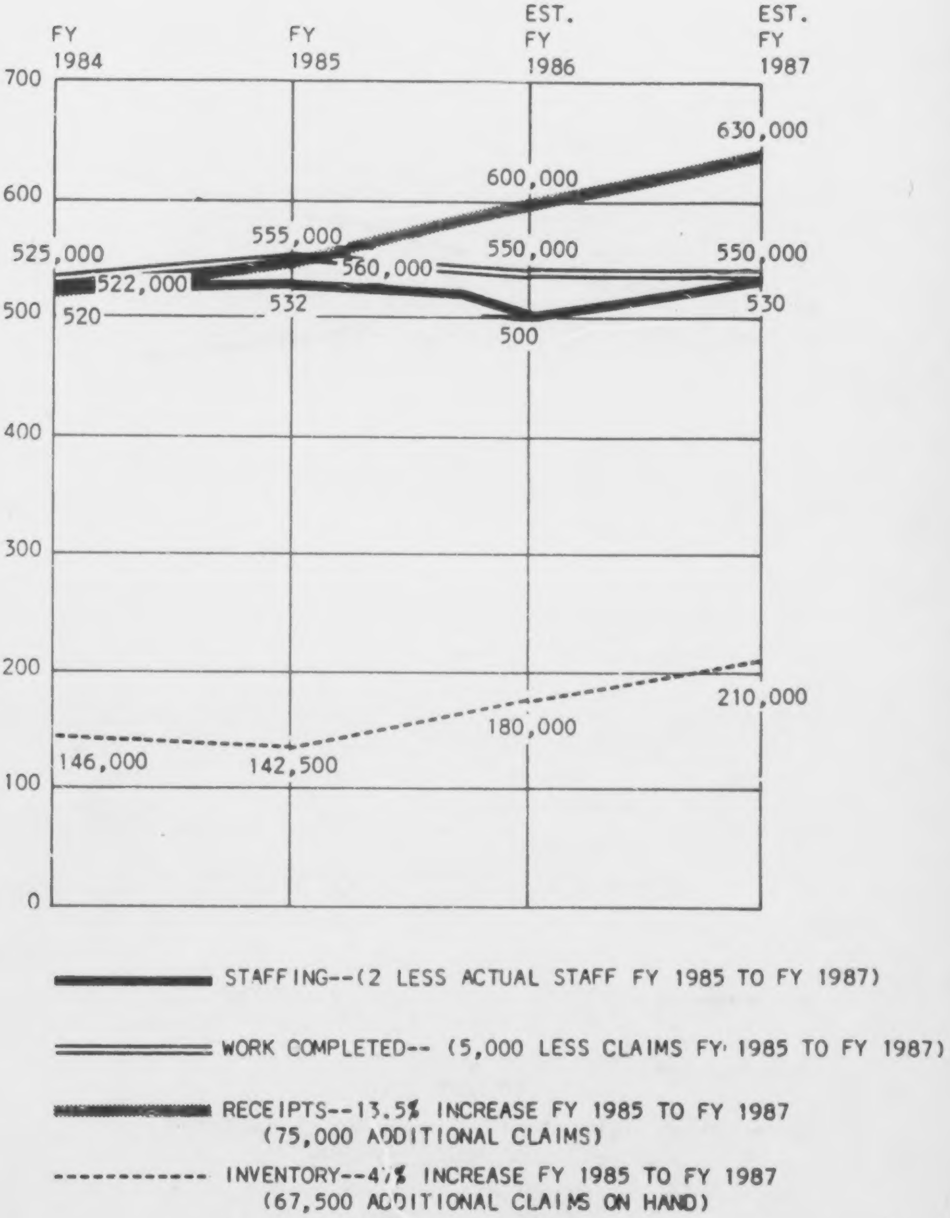
*Receipts calculated to be approximately 10,450 per week in FY 1983. Claims equivalent to 4 weeks receipts on hand (implies 4 weeks to process a routine claim).

COPYRIGHT OFFICE KEY INDICATORS--(CHART A) G.R.H. WITHOUT RECOVERY OF
FY 1984-FY 1987 OFFSETTING COLLECTIONS FY87.



COPYRIGHT OFFICE KEY INDICATORS--(CHART B) G.R.H. WITH RECOVERY OF
FY 1984-FY 1987 OFFSETTING COLLECTIONS FY87.



Question. You are asking for $150 thousand for a data system. Can the ASO operation do this on their computer? Two years ago we were told that COINS III would come on line in May 1984. Has that happened? Is it operating satisfactorily?

Response. *Licensing Division System.*—In theory, ASO could develop the Licensing Division system on one of the Library's computer systems. However, for a number of reasons, the Office has decided not to do so.

First, ASO can assign only a limited number of staff to copyright applications, and they work full time on systems that support the copyright registration and recordation processes—COINS, COPICS, COHM, and COHD.

Because the proposed system is completely independent of any other in the Library, and is small enough to run efficiently on a mini-computer, it will have a very high degree of reliability and responsiveness, and it will be easy to define and implement, and inexpensive to operate and maintain. Moreover, this concept of independence is consonant with the policy, in effect since 1978, of maintaining separate accounting for Licensing Division operating costs, which are deducted in their entirety from offsetting royalty receipts.

COINS III.—The final major phase of the COINS III Receipt-In-Process system went into effect on September 12, 1985. The system so far has been highly successful. All copyright registration claims are recorded as they leave the Mail Unit, thus providing, for the first time, accurate and up-to-date statistics on the volume and kind of work being received, as well as enabling the claims to be tracked through the Office until they have been cataloged.

There has also been a 60 percent increase in productivity in the Fiscal Control Section (where there has been an increase in workload from 156,000 claims in the first four months of FY 1982 to 200,000 claims in the first four months of FY 1986, and a reduction in staff from 35 to 25). We now have the ability to retrieve information about claims in process from a video-terminal without having to look for the material, and this will increasingly reduce search time as more claims come under automated control. The Office has also implemented plans to make some of this preliminary data available to the public on computer terminals located in the public search room. This new service is extremely important to the copyright practitioners who are searching the files to determine the current status of a copyrighted work.

Although COINS III will facilitate the recordation and tracking of work throughout the Office, and, as the database grows, will provide Copyright management with workload trends that will greatly enhance production planning, it will have no appreciable direct effect on backlogs that may occur in examining claims, issuing certificates, or physically moving material from one work station to the next.

CONGRESSIONAL RESEARCH SERVICE

Mr. FAZIO. We can move on to the Congressional Research Service. The budget request totals $44,010,000 for fiscal year 1987. It includes 884 permanent budget positions, an increase of 24. Joe, we appreciate the opportunity of having you at the table with us as Acting Director. I hope you and Susan have some words for us so we can begin the process of exploring the details of your budget.

It is obviously one of those areas that the members depend a great deal upon. You have been affected by budget cuts and Gramm-Rudman. We hear a lot about it. We hear about it sometimes when our bill comes to the Floor.

We know you are doing the best you can. We urge you to tell us where you stand right now.

Mr. ROSS. Thank you, Mr. Chairman, Members of the committee.

I have a written statement that I believe has been submitted for the record. Rather than taking the time to read that, I would like to summarize it, and answer any questions that the subcommittee may have.

You know Susan, who is with me this morning. I have to say that one thing I thank my lucky stars about is that Gilbert Gude didn't take Susan Finsen with him when he retired.

The last six weeks has included a very interesting learning process about budgetary matters. I haven't done a great deal else. I have been in CRS for a long time. I was Chief of the American Law Division, but this is new. As I said, it is interesting.

[The statement of Mr. Ross follows:]

STATEMENT OF JOSEPH E. ROSS, ACTING DIRECTOR, CONGRESSIONAL RESEARCH SERVICE, LIBRARY OF CONGRESS BEFORE THE HOUSE SUBCOMMITTEE ON LEGISLATIVE BRANCH APPROPRIATIONS, FISCAL YEAR 1987

Mr. Chairman, and Members of the Subcommittee: It is a pleasure to appear here this morning on behalf of the Congressional Research Service.

The original budget request before you asked for an increase of $6,722,000 in 1987, consisting of funds for restoration of 1986 base reductions, recovery of funds sequestered in 1986, recovery of recent inflation, and a few growing workload items, including twenty-four new positions. As you know, that request was, for the most part, prepared many months ago; it reflected our best estimate at that time for the additional resources necessary to enable the Service to provide superior research and reference support to Congress. Since then, however, we have reconsidered our request in the light of the growing congressional commitment to reduce federal spending and deficits. As a result, we are now reducing our requested increase by $1,208,000 by withdrawing the request for new positions and part of the requested increase for nonpersonals.

In order to meet the required sequestration under the Balanced Budget and Emergency Deficit Control Act of 1985, we have had to take a number of significant actions to reduce expenditures. While required, some of these actions have had, and continue to have, immediate and serious effects on the Service's ability to support Congress. Our first priority for 1987 must, therefore, be directed at regaining resources needed to maintain our services. We believe that the revised request would achieve this end. That amount would permit the Service to maintain present staffing strength, to replace staff as positions become vacant in critical areas, and to fund nonpersonal services adequately to produce basic research and reference materials for Congress.

I would now like to briefly detail the specifics of our revised request and point out the reductions we have made in the original request.

Specifically, our revised request consists of $1,675,000 for restoration of sequestration, $3,664,000 for current level expenses, including $2,581,305 for mandatory personnel costs, and $175,000 for growing workload items.

Our original request included 24 new positions and associated funding of $539,985. After careful consideration of our present priorities, we have decided to withdraw that request. Our greatest need is, rather, to be able to preserve our present authorized staffing strength, with the flexibility to replace key staff when vacancies occur, and to fill existing vacancies where the greatest need exists in the course of the year.

We are also reducing our original nonpersonnel services request in six areas, namely: rental of equipment, computer software, professional and consultant services, books and library materials, data base services, and other services, miscellaneous. As to rental of equipment and computer software, we have reduced each request by half. While our need for additional microcomputers for analytical applications continues in order to make staff as productive as possible, we believe deferral of part of the request is appropriate in light of current budgetary realities.

In addition, we are reducing requests for restoration in the areas of professional and consultant services, books and library materials, data base services, and other services, miscellaneous. We believe that by instituting stringent economy measures, these activities can be reduced without severely undermining our basic services.

I recognize that in the current budgetary environment, any proposed increases should be sought only for the most essential requirements. In the time since I have become Acting Director, I have carefully scrutinized the Service's basic operations. I have concluded that this request, as revised, is justified under the continuing and severe budget restraints, taking into account our current and projected workload, which continues its historic pattern of steady growth in quantity and complexity. The budget request before you, as revised, proposes to meet the workload growth essentially with resources which Congress has previously authorized.

In conclusion, Mr. Chairman, I want to assure you that CRS will continue to work very closely with the Library administration in all phases of our activities, to ensure that our resources are utilized most effectively and efficiently. We are also maintaining our ongoing efforts to coordinate with the other congressional support agencies. Perhaps even more important, we are continuing to enlist the support of all of our staff in the on-going efforts to achieve additional savings wherever possible. We are confident that the budget request now before you, together with the steps we are taking to control expenditures, will allow us to carry out our mission of service to Congress.

BIOGRAPHY OF JOSEPH E. ROSS

Mr. FAZIO. We are going to put your biography in the record.
[The biography of Mr. Ross follows:]

JOSEPH E. ROSS, ACTING DIRECTOR, CONGRESSIONAL RESEARCH SERVICE

Joseph E. Ross, Chief, American Law Division, was named Acting Director of the Congressional Research Service by Librarian of Congress Daniel J. Boorstin in December 1985. His appointment was effective with the retirement of CRS Director Gilbert Gude on January 3, 1986.

Mr. Ross joined the staff of the Congressional Research Service in May 1972 as Senior Specialist in American Public Law and in January 1973 was appointed Chief of the American Law Division. As chief he supervised 110 staff members, including 50 attorneys, providing legal analysis and assistance to Members and committees of the Congress. In addition, Mr. Ross served as Assistant Director (Research and Analysis) of CRS from 1974 to 1976. In this capacity, he coordinated the work of the Service's research divisions.

Mr. Ross graduated with a bachelor of arts degree from St. John's University in 1943 and earned his law degree from the same university in 1948. He entered active military duty with the U.S. Navy as Ensign in 1943 and served aboard the U.S.S. Idaho in the Pacific Theatre of Operations until 1946, earning six battle stars. Following three years of private law practice in New York City, Mr. Ross began an 18-year career as a judge advocate with the U.S. Navy.

As a member of the Judge Advocate General's Corps, Mr. Ross acted as trial counsel (prosecutor), defense counsel, and military judge in hundreds of courts martial. He also served as a reviewing officer and an appellate counsel in such cases. He retired from the U.S. Navy with the rank of Captain in 1969.

From 1969 to 1971, Mr. Ross served as a legislative attorney with the U.S. Department of Justice and in 1971-72 as Assistant Chief of the department's Legislative and Legal Section, where he supervised the agency's legislative program and six legislative attorneys. The section also responded to requests from Congressional committees on pending legislation and advised the Deputy Attorney General and Attorney General on legislative matters.

A member of the American Bar Association, Mr. Ross is now serving a term (1985-87) as a member of the House of Delegates—the governing body—of the ABA. He is the immediate past president of the Federal Bar Association and also belongs to the Judge Advocates Association and the Brent Society. He received the Navy Meritorious Services Award in 1969 and the Attorney General's Meritorious Service Award in 1971. He is the author of numerous articles for the Judge Advocate General's house organ, *Off the Record*, the *Federal Bar Journal* (for which he wrote a monthly column as president), and the *Military Law Review*.

SUMMARY OF CRS REQUESTS

Mr. FAZIO. We understand that you do not come to this without a lot of background. You certainly have that. We also understand how supportive Susan has been to the work that Mr. Gude did.

I hope he is enjoying himself out on the Potomac, as he writes the history of the River. I am sure he enjoys life, more than he did before this committee and Congress.

Mr. ROSS. The original request we submitted was some $44 million, an increase of $6.7 million, after taking into account the base cuts as well as the sequestered funds under Gramm-Rudman.

It also includes some growing workload items, and especially 24 new positions. I have taken a very close look at that request in these last few weeks. I have decided to reduce the request by $1.2 million.

That is essentially the withdrawal of the new positions and part of the requested increase for non-personnel items that were included in it.

This decision was essentially the result of the experience of undergoing the Gramm-Rudman cuts. That left us, as a result of the hiring freeze, with a buildup of vacancies, a very substantial cut in non-personnel services, and, really, new circumstances.

I looked at the positions that were requested, especially. It just seemed to me if we were able to be substantially restored, we would be able to take care of those needs in 1987.

Beyond that, of course, it may be a different story. That essentially was the basis for asking that you withdraw the new positions, and again, part of the non-personnels.

Mr. FAZIO. If the base is restored you can continue to provide services at the same level.

Mr. ROSS. Yes, sir. One of those positions, the new one in the national defense area, had to do with fraud and waste in the Pentagon. I think with the vacancies we have, we can certainly take care of that need in 1987.

Mr. FAZIO. We have admonished CRS, as well as other agencies that support the Congress, to adjust their staffing to compensate for changing interest patterns of the Congress, instead of just adding skills, addressing vacancies, or in other ways compensating for a dropoff in interest in various areas.

We always make efforts to try to find areas to reduce overhead and administrative costs. It is a constant theme of this committee. I hope continual efforts will be made in that context. We want to make sure that we are maximizing the services of the Library in general for the benefit of CRS.

Mr. ROSS. I do understand the subcommittee's concern about that. I will be sensitive to it.

Mr. FAZIO. Great.

Mr. ROSS. Again, the original request included 24 new positions, totalling approximately $539,000. We have decided to withdraw that. Instead, if we are able to, we will fill existing vacancies with those that can be taken care of in 1987.

That, of course, includes the areas covered by the new positions. The reduction in the original non-personnel services request covers six areas.

Two of those, rental of equipment and computer software, we have reduced each request by half. Our thinking on that is that while our need for additional microcomputers for analytical applications continues, we believe deferral of part of the request is appropriate, simply in light of the budgetary realities.

As to the other restorations in non-personnel services, professional and consultant services, books and library materials, data base services, and other services, miscellaneous, we believe by really instituting stringent accounting measures, these activities can be reduced without severely undermining our basic services to the Congress.

I think that the request that we have submitted as it is revised and taking into account our current and projected workload, which, Mr. Chairman, continues the pattern of steady growth, we believe that we can make do in 1987.

We will meet the expected workload growth essentially with resources which Congress has previously authorized.

In conclusion, I want to assure you that we will continue to work closely with the Library administration in all phases of our activities to ensure that our resources are utilized more effectively and efficiently.

We are also continuing our ongoing efforts to coordinate with other Congressional support agencies. That is a matter the subcommittee has had concern about. Perhaps even more important, we are continuing to enlist the support of our staff in the ongoing efforts to achieve additional savings where possible.

I do have to say, while there is a sufficient morale impact of all of this, I have talked to many of the analysts and other researchers at CRS. The spirit of cooperation and trying to deal with this—and incidentally, this includes the leadership of our union, CREA, it has been a very gratifying aspect of the whole thing.

MEMBER'S OFFICES ARE AFFECTED

Mr. **Fazio**. It is not an easy time for anyone. All of our members' offices are impacted by the reductions. We are not filling positions and some are being laid off.

In some cases salaries are being reduced across the board. I don't know if that will impact on your office. It is happening in Members' offices. I hope that any morale problems will be dealt with fairly. We will move on, survive, and come back strong.

We are all in the same boat. I hope that is understood. No one is being singled out, nor certainly not insulated.

Mr. **Ross**. They do understand that, Mr. Chairman.

That concludes my statement.

QUICK REFERENCE SERVICE PROBLEMS

Mr. **Fazio**. I have one concern. It is probably a reaction to reductions in staffing and potential reallocations. I have had many complaints from people who have been attempting to get through on the quick reference number only to receive a recorded message.

Is it possible to shift some resources to improve this situation. Are there efforts being made?

Perhaps it would be possible to leave a message on the recording machine to be responded to at a later time. Have you attempted that?

Mr. **Ross**. Yes, sir. That is part of the program. This is a matter of great concern to me. I think inability of your staff to get through to us is intolerable.

Mr. **Fazio**. There is always the concern that the message was not heard.

They don't have the feeling that their requests are put in line.

Mr. **Ross**. I have recently, with Susan's cooperation, transferred, detailed—I guess that is the correct term—one of her administrative staff to the inquiry unit to help answer the telephones. We are also shifting another position that is vacant to that staff, so that when we are able to fill the vacancies that are existing in the inquiry unit—and there are several there now, four, I think?

Ms. **Finsen**. Yes.

Mr. Fazio. Is the problem related to vacancies?

Mr. Ross. Yes.

Mr. Fazio. Freezing vacancies, that is what happened?

Mr. Ross. Yes. There are other things we are trying to do. We are trying to encourage House staff, particularly, to use electronic mail as much as they can, particularly on constituent inquiries.

I am continuing to work on that.

Mr. Fazio. It is possible to fill some vacant positions and leave others.

I realize you are hearing from the squeaky wheels over here. When you are talking about input delays in the facility, it is a basic complaint in any institution. We are not aware of inordinate delays, but they are to be anticipated as a result of the cuts. Perhaps it is advisable to provide information on the budgetary constraints and its repercussions. There has to be some way at least of beginning the process.

Mr. Ross. Right. I understand.

LIBRARY REVIEW OF CRS BUDGET REQUESTS

Mrs. Boggs. You are talking about changes, and the ability to be as innovative as possible in providing service with very limited resources. This is the first year of the new budgetary procedures for CRS.

Have there been any real changes after your budgetary request was submitted for review by the Library. What did you ask for?

Mr. Ross. The process was one of—as Dr. Boorstin said—extended meetings, discussions. Mr. Welsh especially has been very helpful to me in going over what would be a reasonable approach to the whole thing.

There has been a cooperative effort.

Mr. Welsh. We worked together, Mrs. Boggs, hand in hand to try. So, there were no differences of opinion in the process. We have had nothing but outstanding relations with Joe Ross and his staff.

Mrs. Boggs. Are you saying the new process works?

Mr. Welsh. Yes. Absolutely.

Mr. Ross. Yes. No problem.

Mr. Fazio. Good. I have to assume this is a healthy experience.

Mr. Welsh. It has been.

Mr. Fazio. I can't say that many people with whom I talk to consider dealing with OMB a healthy experience. I hope in the context of the Library, you could bounce ideas off each other, and come up with something that is a salable package or a defensible one, anyway.

We may not be able to buy it.

Mr. Welsh. While we are on the subject of increased Library-CRS cooperation in the area of budgetary review, I have a document here on a related subject. It concerns the actions taken to reduce duplication of effort between the Library and CRS. I would be pleased to introduce it for the record on that subject.

[The information follows:]

FINAL REPORT ON ACTIONS TO ASSURE NO DUPLICATION BETWEEN LIBRARY CENTRAL SUPPORT ACTIVITIES AND CRS MANAGEMENT AND LIBRARY SERVICES ACTIVITIES

Staffs of the Library's central support offices and the Congressional Research Service have over the past year completed their joint effort to identify and eliminate duplication in their respective support activities and have taken substantial steps to streamline certain procedures, which, while not duplicative, were unnecessarily burdensome. This cooperative effort has resulted in the elimination of all areas of duplication that were found, and it has created a strong consciousness of the issue among the staffs involved; it has also permitted CRS to further reduce internal administrative support and reassign these resources to areas of the greatest workload.

MANAGEMENT ACTIVITIES

With regard to administrative responsibilities, we have taken actions to centralize travel arrangements for CRS within the Library's travel office; to transfer to the Library's Recruitment and Placement Office certain training, clerical and recordkeeping functions formerly handled by CRS' Office of Management and Administrative Services; and to rely on the Library's Procurement and Supply Division for timely delivery of office supplies to CRS. The Recruitment and Placement Office also now has direct and continuing contact with CRS selecting officials to ensure that selection criteria in vacancy announcements are clear and understood.

Most important for improving cooperation and assuring efficiencies over the long run has been the marked growth in ongoing communications among the support staffs throughout the Library and CRS. One extremely productive example has been CRS' participation on an interdepartmental task force formed by the Director of Personnel to look at practical ways to streamline and expedite the Library's staffing process. This task force offers promise of achieving considerable efficiencies in staffing for all departments of the Library without compromising either fairness or effectiveness.

Through the above actions, and with the benefit of continuing discussions between CRS and Library support offices that focus on cooperation, the appropriate assignment of responsibilities, and efficiency, the Office of Management and Administrative Services (MAS) has achieved substantial streamlining of its administrative workload. CRS has therefore been able to reassign two budgeted positions from MAS, one to the Inquiry Section to further increase the capacity to receive and record congressional inquiries, and the other to the Congressional Reference Division to respond to information and reference requests. These position changes are in addition to the two positions that were eliminated a year ago.

We believe that we have now realized a correct alignment of administrative support staff in order to achieve efficient administration and to maintain quality in administrative tasks that the Library expects CRS as a department to perform.

LIBRARY SERVICES

With regard to the activities of the Library Services Division, the following concrete steps have been taken to eliminate duplication of service and to streamline operations.

The Library Services Division continues to make use of the ordering facilities of the Library's Order Division to acquire publications not required on a rush basis. To ensure that funds are not needlessly expended for the purchase of library materials, Library Services first checks all possible sources in the Library's collections for the requested material.

For the past two years, CRS has made it a practice of examining the Library's holdings of congressional and government documents; because of this practice, CRS has made no purchases of retrospective materials.

Library Services has designed a users guide for each division to help CRS staff make the fullest use of the resources and programs available within the Library of Congress.

Library Services has prepared citations in its bibliographic data base for over three dozen government serials which are located for review in the Serial Division reading room. This process encourages CRS staff to make use of the Library's collections and thereby eliminates our need for purchasing some library materials. Library Services also worked out a beneficial arrangement to send retrospective government document collections for which CRS no longer has use to Serial Division to fill in gaps in their collections.

CRS and the Library, in the course of discussions on the issue of duplication, have come to better understand and respect the importance of the support services provided by each. This knowledge has made everyone concerned more committed than ever to making the best use possible of mutual resources.

OTHER QUESTIONS

Mr. FAZIO. Are there any other questions for Susan or Joe? Thank you very much. We will see what we can do to take into consideration the impacts that have been foisted on you.

Mr. LEWIS. Excuse me.

Joe, before you leave, I have been wondering about one category of personnel, the senior specialists. Can you give me an indication of how many senior specialists like yourself we have. I am interested in questions like what their GS grade is. Is this an area where there could be budgetary savings?

Indeed, are there any discussion of planned retirement, et cetera?

Mr. ROSS. I don't recall the exact number of Senior Specialists on the board.

Ms. FINSEN. 19 at the moment.

Mr. ROSS. We have had some retirements. My long-standing colleague, whom I believe the subcommittee members know, Betty Yadloskey, has retired. She was our senior specialist in election law. She is going to be sorely missed.

Mr. FAZIO. She certainly will be.

Mr. ROSS. I have talked to several of the senior specialists who are eligible or close to eligibility for retirement, to see what their plans are. I have to admit, I have not put any pressure on any of them.

I am well aware that there could be a great savings there for people eligible for retirement who go ahead and do it. I have mentioned the possibility that the tax reform bill may change their tax situation as far as their benefits are concerned.

I understand they are talking about a July 1, 1986, date on that.

Mr. FAZIO. Let's hope it is the first of next year. At least the issue should be joined with people who have some decisions to make.

Mrs. BOGGS. They may do some research on it and find out the bill isn't going to pass.

Mr. LEWIS. Outside possibility.

Mr. ROSS. I made a count a week or so ago of how many of our super-grade positions—incidentally, the senior specialists are all GS-17. We have a category of people we call specialists who are GS-16's.

We have a total of 18 vacancies in the two categories of our senior researchers, with a likelihood that we will not be filling those positions.

Have I answered your question?

Mr. LEWIS. Yes. It is a very difficult area, of course. You immediately raised an illustration of the best of all worlds. In your management responsibilities, you know the difficulties as well.

Yet, as time goes on, you have to consider taking on new people.

Nonetheless, this is an area we need to explore. We would like to help you where we can.

Mr. Ross. Thank you.

Mr. **Fazio.** This committee has no concern with the services rendered. We are recipient of other members who want us to pass these concerns on to you.

Mr. Ross. I appreciate that.

Mr. **Fazio.** Thank you very much. I have a question to be submitted for the record.

[The question and response follows:]

CONGRESSIONAL RESEARCH SERVICE

Question. Update the request and workload summaries appearing on page 730 of last year's hearings.

Response.

Member requests, fiscal year 1985

Member:	
House	187,538
Senate	97,474
Former Members	985
Total	285,997

WORKLOAD AND ALLOCATED COSTS BY CLIENT CATEGORY—FISCAL YEAR 1985

[In millions of dollars]

	Requests (000's)	Allocated costs
Research and Analysis:		
Member	62.6	$10.6
Committee	24.6	17.8
Total	87.2	28.4
Reference and information:		
Member	223.4	6.5
Committee	67.3	2.4
Constituent	79.9	2.7
Total	370.6	11.6
Total:		
Member	286.0	17.1
Committee	91.9	20.2
Constituent	79.9	2.7
Total	457.8	40.0

Question. You are asking for $270,000 for rental of word processors and personal computers. How many do you now have? How many will these funds provide? How many of your current staff have access to a word processor? How many shoud have access? Give us the same information on the personal computers. Have you asked ASO to review these requirements? They may be able to suggest some improvements.

Response. The Congressional Research Service's original request for $270,000 for rental of equipment has now been reduced to $135,000, which would permit acquisition of thirteen word processors and twelve microcomputers. While the Service's needs have not changed, half of the request was postponed to a future request in recognition of the current budgetary situation. These requirements have been submitted to the Library's Committee on Automation Planning and to the Automated Systems Office as provided by the Librarywide ADP planning process. The request was included in the CRS budget request because the ADP procedures provide that machines which are primarily "stand-alone", and not intended for constant communication with the Library's mainframe computer, be included in departmental budget requests, not ASO's.

Word Processors.—The Service currently has 315 machines which are predominantly used for word processing. The request will support thirteen word processors which will replace machines which cannot be repaired and which are being removed from service this year. Therefore, there will be no net increase in word processors. Approximately 150 of the 315 word processors are assigned to clerical staff who require them full time. The remaining 165 machines are shared by professional staff, providing a word processing device for every 3.8 professionals. To increase productivity, our long range goal is to have a word processor assigned to every two professionals, in addition to one for every clerical staff member for whom typing is a major requirement.

Microcomputers.—CRS currently has 119 microcomputers which are used for such applications as statistical analysis, communications, data base management, computer graphics, and spreadsheet analysis. The FY 1987 request will support twelve additional microcomputers, which would improve the current ratio of one microcomputer for every 5.3 professionals to one for every 4.8 professionals. The Service's goal is to have a microcomputer for every two professionals, to be used for the applications listed above. Many of these applications could only be performed previously with the assistance of a programmer. Microcomputers and the software now available allow non-programmers to perform these analyses as part of the policy analysis or reference process, improving our research products and making most efficient use of reference sources.

PROCESSING SERVICES AND SPECIAL FOREIGN CURRENCY PROGRAM

Mr. **Fazio**. Ms. Avram?

Ms. **Avram**. Nice to see you again.

Mr. **Fazio**. Tell us what you think we should know.

Ms. **Avram**. The budget cuts have certainly had an impact. As Mr. Welsh indicated, the base cut and the Gramm-Rudman cut reduced our abilities to acquire material at the rate we feel we ought to. The acquisition of U.S. and foreign materials, books and serials, of research value will be drastically reduced, as well as other forms of material such as maps, microforms, recordings, motion pictures, etc.

Cutting acquisitions has a cascading effect through the department. If we do not acquire the material, we seriously limit our ability to provide reference service to Congress and scholars.

If we do have the ability to purchase the material but we do not have resources for cataloging, then the cataloging service to the entire U.S. library community suffers.

As you are aware, the Library's Processing Department is the largest producer of cataloging data for American libraries. A reduction in LC cataloging seriously impacts all libraries in this country and worldwide.

The other impact of the base cut and the Gramm-Rudman cut, which is of significant consequence, is in our processing of serials. Serials will not be processed in an effective manner, and therefore will not be available to staff, to Congress, and to scholars.

The other unit seriously impacted is our cataloging distribution service. Here, the products and services we are so well known for throughout the United States and international library community will be affected.

In the Special Foreign Currency Program, our budget was reduced by $36,000. This makes it very difficult to acquire materials in volatile areas of the world, which are of great research value to libraries and to the intelligence community in this country.

Mr. **Fazio**. I understand we are running out of rupees.

Ms. Avram. The State Department anticipates the end of rupees in 1987. They have said they would offer a plan whereby they could insure rupees through fiscal year 1988 for the Pakistan program.

We have reduced our request for funding for that office as a result of eliminating subsidized acquisition of materials for libraries. We now will be reimbursed for these acquisition services.

The loss of $36,000 will have a serious impact on our ability to acquire the materials.

Mr. Fazio. How can the State Department arrange to do that?

Ms. Avram. It is through the use of excess Pakistani reupees—Don, can you speak to that?

Mr. Fazio. The Public Law 480 program? This is the repayment of the low-interest loans?

Mr. Curran. There is, as you know, a kind of bank of these foreign currencies which the United States Government owns, and which it has agreed only to spend in those countries.

We have been, of course, the beneficiaries of that. Slowly, the excess currency in each country is used up and you are pushed away from the table. Pakistan is the last country where we are still at the table.

We are trying to stretch it for an extra year or two, if we can. That is all.

Ms. Avram. Important to the department are the current level and base cut restoration. The charges of the State Department for services, for example, were paid with rupees when they were available. Now we must have dollars for these service charges. In addition, in order to maintain a leadership role, LC staff must be able to attend professional meetings as well as have an opportunity for professional advancement.

Mr. Fazio. Dollars are worth so much these days.

Ms. Avram. Yes.

Mr. Fazio. Thank you very much. Unless there are other questions? I am inserting some for the record.

[The questions and responses follow:]

SPECIAL FOREIGN CURRENCY

Question. We have operated both the India and Pakistan operations with excess foreign currencies. The budget for the foreign currency program is $97 thousand in U.S. dollars and $293 thousand in excess currencies—a total of $390 thousand, but for only Pakistan. Have we finally run out of excess rupees in India?

For the record, update the staffing and workload data on page 742.

Also, update the unobligated allotment data on page 743.

Response. U.S. Government-owned Indian rupees were no longer "excess" as of October 1, 1985, according to the Department of the Treasury. Since that time the New Delhi office has been using excess rupees only to pay obligations which were outstanding as of September 30, 1985. The requested charts are attached.

LC OVERSEAS OPERATIONS STAFFING AND WORDLOAD—FISCAL YEAR 1985

	LC basic funding				Special foreign currency	
	Cairo	Jakarta	Nairobi	Rio de Janeiro	Karachi	New Delhi
Appropriation	$366,970	$243,590	$336,876	$320,855	$711,000	$2,100,000
Staffing:						
American	1	1	2	1	1	2
Local	33	14	12	13	32	61

LC OVERSEAS OPERATIONS STAFFING AND WORDLOAD—FISCAL YEAR 1985—Continued

	LC basic funding				Special foreign currency	
	Cairo	Jakarta	Nairobi	Rio de Janeiro	Karachi	New Delhi
Workload Volume:						
Countries Covered	16	4	17	1	2	9
Participants Served	55	13	4	1	252	33
Acquisition (pieces)	123,149	103,382	28,484	42,427	148,447	502,385
Binding (pieces)	25,000		15		14,698	68,481
Cataloging (titles)	4,502	3,001	2,016	4,503	4,055	13,422
Accessions lists printed					21	14
Parcels shipped	3,440	1,265	365	504	29,718	10,350
Microfilm (reels)						1,136
Microfiche (fiche)						17,350

SPECIAL FOREIGN CURRENCY—UNOBLIGATED ALLOTMENT (CARRYOVER)—INDIA

	Appropriation	Expenditures	Unliquidated allotment (carryover)	Unobligated allotment	Change from previous year
Fiscal year:					
1978	$2,177,000	$1,864,510	$474,262	$487,181	
1979	2,186,827	2,052,504	327,780	767,987	+$280,806
1980	2,587,000	2,423,618	324,093	935,055	+167,068
1981	2,574,600	2,100,072	768,233	965,443	+30,388
1982	3,329,600	2,218,087	906,015	1,939,175	+937,732
1983	1,829,600	2,618,645	761,159	2,794,987	+855,812
1984	1,829,600	2,698,101	339,993	2,347,651	−447,336
1985	2,100,000	3,532,096	1,555,310	236	−2,347,415

AMERICAN FOLKLIFE CENTER

Mr. Fazio. I know we haven't taken time to discuss the American Folklife Center. Would you like to make any—you have a very modest increase this year of $79,000?

Mr. Jabbour. It is essentially restoration of things that unfortunately had to be cut. Our program continues. In fact, we are in a lively publishing phase now, and have a number of products we would be happy to share with the committee at a suitable time.

Things are going well for the Center, otherwise. We, of course, endure the pains that everybody endures.

CENTER REAUTHORIZATION

Mr. Fazio. Ed reminds me that your authorization is not necessarily permanent and will be coming up for review.

Mr. Jabbour. That is correct. We have submitted—The Librarian has submitted to the authorizing committees a letter requesting our reauthorization beginning in 1987.

Mr. Fazio. What is the committee of jurisdiction?

Mr. Jabbour. House Administration Committee, and the Senate Rules and Administration Committee.

Mr. Fazio. Mrs. Boggs is one of your many great supporters. Do you anticipate the support continuing? There was some dispute.

Mr. **Jabbour**. Mr. Chairman, it is my job to worry. At the same time, I have no reason to feel there is any resistance or hostility to the Center and its work.

We feel we have accomplished a lot in our last authorizing period.

Mr. **Fazio**. My sense is that you will be making a presentation to the committee. Would you submit to this committee the materials that you will be providing to them?

Mr. **Jabbour**. I would be delighted.

[The information follows:]

NINETY-NINTH CONGRESS

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Congress of the United States
House of Representatives
COMMITTEE ON HOUSE ADMINISTRATION
SUITE H-326, U.S. CAPITOL
225-2061
Washington, DC 20515

February 19, 1986

Honorable Daniel J. Boorstin
Librarian
The Library of Congress
Washington, D. C. 20540

Dear Dr. Boorstin:

Thank you for your letter of February 13, 1986, concerning legislation to reauthorize The American Folklife Center.

Since legislation of this nature would fall within the jurisdiction of the Committee's Task Force on Libraries and Memorials, I am, by copy of this letter, referring your letter to the Task Force for review. I feel certain that the Task Force will appreciate having your views on this matter.

With every best wish, I am

Sincerely,

Frank Annunzio

Frank Annunzio
Chairman

FA/g

cc: Honorable Mary Rose Oakar, Chair
Task Force on Libraries and Memorials

FEB 13 1986

Dear Mr. Annunzio:

The American Folklife Center was, as you know, established in the Library of Congress by an Act of Congress in 1976. The original authorization was for three years and it was reauthorized on three occasions. The current authorization extends through fiscal 1986. We are therefore requesting new authorization for the Center. Enclosed is draft legislation for your consideration. The draft provides for a three-year reauthorization with a very modest increase in sums authorized.

I am enclosing a detailed summary of the Center's activities to date. I believe the American Folklife Center has had a substantial impact on the preservation of American folklife during the past nine years and that the Center has more than fulfilled Congress' expectations of it.

My colleagues and I will be happy to provide any additional information you may need.

Sincerely,

Daniel J. Boorstin
The Librarian of Congress

Enclosures

The Honorable
Frank Annunzio
Chairman, Committee on House Administration
U.S. House of Representatives
Washington, D.C. 20515

AF:AM: ak

AMERICAN FOLKLIFE CENTER
THE LIBRARY OF CONGRESS

MISSION

The American Folklife Center was created in 1976 at the Library of Congress with a broad mandate to "preserve and present American folklife." The Center both incorporates and expands the historic mission of the Library's Archive of Folk Culture, which since 1928 has provided national leadership in documenting and preserving American folk music and folklore.

The Center serves both the Congress and the public, and its work with a national network of folklorists and other cultural specialists helps give focus, coordination, and leadership to local and regional efforts to preserve and nurture America's folk cultural traditions. As a national coordinative center the Folklife Center provides information to the general public and offers consultant assistance to a national network of activities and undertakings. It also experiments with projects and approaches that can serve as models for others in the field, and undertakes inquiries into areas of governmental policy that have an effect upon America's folk cultural traditions. Its Archive of Folk Culture continues both to grow and to provide important services for researchers and the general public, and materials from the Archive continue to have a national impact through publications, radio, and television.

The Center has developed a varied program of projects and activities, from public events at the Library of Congress to documentary field projects in locales around the United States, and from exhibitions and conferences to an equipment loan program and consultant visits to assist activities at the local and regional level. All these endeavors can be seen as fulfilling five broad goals:

(1) assistance to the field, in which the Center provides direct assistance and coordination to folklife efforts at the local, state, and regional level;

(2) archival service, in which, through its Archive of Folk Culture, the Center documents and preserves archivally the folk cultural traditions of the United States, makes those materials accessible to the public, and assists the network of regional archives dedicated to the same goal;

(3) model programs and public events, in which the Center designs and carries out special initiatives that serve as models for the national field of folklore and folklife activities;

(4) research, through which the Center sponsors and fosters the documentation, study, and understanding of folklife and its role in American civilization; and

(5) publications, through which the Center's work and the contributions of its constituency are disseminated to the professional world and the general public.

With these broad goals in mind the Center's efforts have consistently included both research and public education, both preservation and dissemination, thus fulfilling the twin mandate of its enabling legislation.

ACTIVITIES

Field Projects

The Folklife Center has undertaken documentary field research in several different regions of the United States--notably Chicago, South-Central Georgia, Northern Nevada, the Blue Ridge Mountains along the Virginia-North Carolina border, Rhode Island, Montana, the Pinelands region of New Jersey, and northwestern Utah. Such field projects have many benefits: (1) professional documentation of the folk-cultural traditions of a region for posterity, with copies of the documentation available in the region itself; (2) the development of regional and state programs featuring folklife with the assistance of the Center; (3) exhibitions; (4) publications; (5) public dissemination through non-print media; and (6) development of approaches and models for field research which can be replicated in the efforts of others.

Library Research Projects

In addition to field projects, the Center has developed library-based research projects on subjects of special concern in the field of folklife. In the Federal Cylinder Project, for example, the Center has made a comprehensive effort to preserve, catalog, and disseminate folk cultural materials on early cylinder recordings in the Library of Congress and other Federal agencies. The dissemination phase of the project is just getting under way this year.

Conferences

The Center has sponsored a variety of conferences dealing with subjects of special relevance or concern, both in Washington, D.C. and at other sites around the United States. Its early conference on "Ethnic Recordings in America" has led to a book publication and greatly stimulated an entire area of research in the private sector. Other conference topics have ranged from "American Folk Custom" to "Folk Art." Smaller, less formal conferences have also proved effective tools in assisting development of the professional field and in bringing together disparate groups with common interests in fo.k culture.

Public Events

In addition to its successful series of outdoor concerts featuring folk music, the Center has experimented with winter programs, workshops, symposia, and ocasional lectures dealing with various aspects of folklife.

Exhibitions

The Center has undertaken several exhibitions, major and minor, and they have proved excellent stimulants to public discussion and understanding of folklife subjects. Its exhibition The American Cowboy, done with significant assistance from the private sector, was enormously successful, touring several major cities after six months at the Library of Congress. Other smaller exhibitions developed by the Center have also been useful tools in public education, both in Washington and around the country.

Publications

Publishing has become an important Center activity for disseminatintg information and ideas about folklife to a wider public. Eleven numbers have already appeared in its series "Publicatons of the American Folklife Center," and three more are in process. Three major works have appeared in the "Studies in American Folklife" series. The Center also manages a long-standing series of LP recordings of folk music and folklore published by the Library, now numbering 86 recordings. The newsletter Folklife Center News, appearing four times a year, has become nationally important in the field of folklife for disseminating Center news and ideas. These publication series are joined by a wide variety of printed reports, brochures, guides, bibliographies, and other useful publications, as well as experimental publications in such media as videodisc. The first volume of a handsome yearly publication, Folklife Annual, has recently appeared. The Center would like to increase its publishing efforts in future years, relying on alliances with the private sector to expand its impact efficiently and economically.

Daily Activities

In addition to special projects and public programs, the staff of the Folklife Center works on a daily basis to be of assistance to the Congress, Federal, state, and regional agencies, the academic community, and a wide variety of organizations dealing with the subject of folklife. The professional staff regularly provide consultant assistance on various folklife subjects as well as responding to individual inquiries by mail and telephone and in person. The Center also collaborates regularly with other offices of the Library of Congress on subjects related to folklife, and the Center's Archive of Folk Culture continues its 58-year tradition of reader service, research assistance, and development of collections dealing with folklore and folk music. Requests to the Center and Archive for assistance continue to rise, and the Center must find ways in coming years to expand its capacity to service the public on a daily basis.

American Folklife Center, Library of Congress

1/31/86

Increases	FY 1985	FY 1986 +2.2%	FY 1987 +6.6%	FY 1988 +6%	FY 1989 +6.9%	FY 1990 +14%	FY 1991 +7%
Authorization	838,549	867,898	929,710	988,500	1,062,900	1,241,150	1,331,800
Appropriations	838,549	856,860					
Personnel							
	16	16	16	16	16	18 (GS-05&09)	19 (GS-11)
11.1 Salaries & Comp.	499,826	508,626	541,300	582,000	632,400	756,400	817,500
11.3 Spec. & Temporary	38,900	39,300	41,200	43,100	45,300	47,500	49,800
12.1 Personnel Benefits	63,195	64,431	68,000	74,100	82,600	104,700	114,800
13.5 Unemployment Compensation	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Non-Personal							
Increases							
21A Regular Travel	42,200	38,200	46,000	46,000	46,000	48,000	49,000
21B Attendance at Meetings	2,060	1,860	2,260	2,500	2,500	3,200	3,500
21C Local Travel	200	200	200	250	2500	300	350
22A Trans. of Material	1,500	1,400	1,500	1,700	1,800	2,100	2,300
23A Postage	14,000	14,000	18,600	19,000	20,000	21,500	23,000
23B Local Telephone	5,400	5,400	9,600	10,000	10,000	10,500	11,500
23C Long Distance Telephone	10,000	10,000	10,000	11,000	12,000	12,500	13,500
23E Rental of Equipment	6,700	6,700	6,900	7,000	7,500	8,500	8,800
24E Printing, Publication	14,000	12,600	14,900	16,000	16,000	17,000	18,000
24F Printing, Forms	2,400	2,400	2,500	2,800	3,000	3,600	3,800
24L Offset Reproduction	8,000	7,200	8,000	9,000	10,000	11,000	12,000
24M Photoduplication	2,800	2,800	2,900	3,200	3,400	4,300	4,600
25A Other Services, Misc.	5,450	5,450	5,650	6,500	7,000	8,000	9,000
25E Tuition & Training	1,300	1,300	1,400	1,500	1,700	1,800	1,900
25F Prof. & Consult. Serv. (Program)	90,018	105,093	117,700	120,000	125,000	135,000	140,000
25P Performance Fees	4,000	4,000	4,000	5,000	6,000	6,500	7,000
26A Office Supplies	14,400	13,000	14,900	15,500	16,000	18,000	21,000
26X Misc. Supplies	100	100	100	150	200	255	300
31 Books & Library Materials	200	200	200	200	250	1,000	1,000
31E Sound Reproduction	2,000	2,000	2,000	2,000	2,000	2,500	2,500
31H Equipment	7,900	7,100	7,900	8,000	10,000	15,000	15,000
Sub Totals	234,628	241,003	277,210	287,300	300,600	330,550	347,700

AMERICAN FOLKLIFE CENTER

AUTHORIZATION AND APPROPRIATION

Fiscal Year	Authorization	Staff	Appropriation		
	P.L. 94-201				
1976	$133,500	(8)	$133,500 (partial)		
1977	$295,000	(8)	$295,000		
1978	$349,000	(8)	$305,040		
	P. L. 95-259				
1979	$685,000	(12)	$495,000 (LC Reorganization) $55,280 (Archive)		
1980	$1,065,000	(12)	$533,475		
1981	$1,355,000	(13)	$613,161		
	P.L. 96-522				
1982	$740,000	(13)	$686,544		
1983	$890,000	(14)	$763,257		
1984	$990,000	(15)	$827,014		
	P.L. 98-392				
1985	$838,549	(16)	$898,661 ($60,112 held in reserve)		
1986	$867,898	(16)	$867,898		
	Reauthorization Proposal				
			Personnel	Non-Personal	% Increases
1987	$929,710	(16)	$652,500	$277,210	6.6
1988	$988,500	(16)	$685,700	$287,300	6
1989	$1,062,900	(16)	$762,300	$300,600	6.9

AMERICAN FOLKLIFE CENTER

Non-Personal Services

	Request Increase	Current Level	Growing Workload
FY 1987	36,207	13,860	22,347
FY 1988	10,090	10,090	
FY 1989	13,300	13,300	
FY 1990	26,600	16,530	10,070
FY 1991	17,150	17,150	

xxx - Current level based on an average 5% increase per year.

Additional Personnel (Proposed)

FY 1987 -- 0
FY 1988 -- 0
FY 1989 -- 0
FY 1990 -- Reference Librarian GS-09 and Clerk GS-05
FY 1991 -- Folklife Specialist GS-11

AFC LOCATION DISCUSSED

Mr. **Fazio**. My sense is there was some jurisdictional dispute over your place in the Federal budget. The Library, I am sure, has been a happy home, but there are others who think you might be more appropriately located in some other entity; is that correct?

Mr. **Jabbour**. In the past that was true. That has actually subsided. It was more in the early history of the Center. We ourselves feel the Library is a natural home, not only because of present comfort, but because of the whole history of the institution.

The Folklife Center fits very naturally and comfortably there. At the same time, we work with a number of other Federal agencies, and we are in constant contact with them on various scores: the Smithsonian, the Arts and Humanities endowments, the Park Service.

Mr. **Fazio**. Are you responsible for a number of the summer festivals on the Mall?

Mr. **Jabbour**. The Smithsonian's program takes care of the final responsibility for the Mall festival. We frequently contribute a special section. We did last year, and will again this summer.

Mr. **Fazio**. Did you have responsibility for the American Cowboy exhibit at the Library?

Mr. **Jabbour**. Yes, sir.

Mr. **Fazio**. That is something I enjoyed very much.

Mr. **Jabbour**. Thank you. We recently published the videodisc that I believe you saw.

Mr. **Welsh**. Do you to have it with you?

Mr. **Jabbour**. I had it with me, but I took it out to the other room. We are very proud of that, not only for the content of it, but because it represents the whole Library's exploration of this way of disseminating our information.

Mr. **Fazio**. Mr. Lewis and I happen to be from that part of California.

Mr. **Jabbour**. Maybe I should get the video.

Mr. **Lewis**. His cowboys are under water today.

Mr. **Fazio**. We appreciate your presence here today, too.

Are there any other elements of the Library family we have inadvertently ignored?

Mr. **Welsh**. We think not. We just canvassed.

Mr. **Fazio**. Thank you all very much.

Mr. Lewis.

MR. LEWIS' COMMENTS

Mr. **Lewis**. Mr. Chairman, I am sorry I was late. I have had a chance to review your statement. To say the least, I am concerned as you are regarding the problems that the budget presents to us and the Library, especially in this atmosphere under Gramm-Rudman.

It is clear that this committee has been very empathetic to all the entities of your work for the Congress. Many members of this committee voted against Gramm-Rudman.

In many ways, we have reflected our concern about the potential impact. Having said that, it is the law. We are going to have to deal with it as it is. I was struck, Dr. Boorstin, by your comments, particularly, I noted the analogy of the burning of the ancient Library of Alexandria in Egypt.

You mentioned in your statement the 199th year of this institution, and where we are moving. I find the most amazing thing occurring presently in this atmosphere. Members are actually talking about cutting back their own staff looking again at whether X or Y is feasible, and taking positions that I have never seen taken before.

I think we will be repeating this commentary in many meetings with other people who are justly concerned about their budget problems, and the pressure they are feeling.

It is a fact of life that the overlay here is an exploding deficit that could cripple the whole institution by way of maybe undermining our economy.

Gramm-Rudman came upon us, in no small part, because of a long, extended difficulty with our revenue not quite meeting the levels at which we felt were critical to expend.

So, I would urge you to continue to help us look again to make sure that whatever pressures we put on your budget doesn't do some of the extreme damage you mention in your statement.

We are going to need your assistance, because unless I miss my guess, in spite of some of our votes, this Gramm-Rudman law is going to be around through 1991 and we are going to find either the Congress enacts reductions directly or we will be subject to sequestration. The question is which would we prefer?

I am not sure we want to just close our eyes and say sequestration is going to be the final solution for everybody, because frankly, you are on the table. We did not take the Library off of the domestic programs for consideration.

So, it is going to be there, whether we like it or not. We are going to need your help, further help.

PRIORITY NEEDED FOR KNOWLEDGE

Dr. BOORSTIN. I said my piece. Since you did open the question again, perhaps I can add another word. Obviously, the human race has persisted at a much lower level of knowledge than we now have.

It is possible for the human race to survive and for the Nation to survive with less knowledge than we have. It is not desirable—and I think may not be humanly possible—to prevent knowledge from increasing.

That is our business to assure its increase and assure its availability. I must say that as an ex-lawyer, as a student of American Constitutional law, I cannot believe that the Congress of the United States cannot establish priorities.

It has established priorities for defense, for entitlements. I do not understand why knowledge and the increase of knowledge is not equally entitled to priority as those other items.

VARIATIONS IN PRIORITIES

Mr. LEWIS. If you will excuse me, that was indeed eloquently presented in your introductory remarks. I recently took some business people to Tijuana, and instead of going to the bull ring, I took them up to the hills and asked them to look out over this emerald which is the San Diego Bay. It is a fantastic reflection of our society.

I asked them to turn around. There are holes in the mountains there, and people are living in them. Indeed, we ought to find a way of getting a handle on that population explosion there, in India, in China, but babies are born; these children not starving to death is a very high priority of mine.

Yet, we are questioning the role the United States plays in connection with issues like that. We are asking people who are worrying about children starving to death to help us find means of better using our dollars.

I present the question to you in that extreme form because the only other option, if we don't get your help, is going to be sequestration, which is the worst of options.

The Congress has essentially said if we are not able as an institution to do the great things that we hold as high priority and were elected to do, then it will automatically be done for us.

The latter, to me, is not good enough. It is the worst ignorance of responsibility.

Dr. **Boorstin**. Mr. Chairman, perhaps I did not make adequately clear or emphasize enough—what I would like to emphasize is that we do feel the sympathy of this committee. We are grateful to this committee. We are all faced with the same problems.

But we do think that it is our duty, since we are distinctive institutions, a particular kind of activity, to keep this committee aware of the distinctiveness of that function and the crucial importance of it.

I also think that we can help this committee in its insistence on the priorities which we share. We are grateful to you for giving us this opportunity.

Mr. **Lewis**. On a lighter side, there was a motion in our private meetings that we put the agency under the review of this committee under the direct line of review of the Office of Management and Budget, and that motion failed by a vote of 6 to 5.

You can be relieved by that.

Mr. **Welsh**. Thank you, sir.

Dr. **Boorstin**. We would be called the Presidential Library, then.

Mr. **Fazio**. Thank you very much.

QUESTIONS FOR THE RECORD

Mr. Porter and I have questions to be placed in the record.

[The questions and responses follow:]

FURNITURE AND FURNISHINGS

Question. Give us an itemized list of the furniture and equipment you plan to purchase with these funds, the estimated lead time needed for its acquisition, and the date that the current production schedule estimates the space will be ready for occupancy.

Response. Following is an itemized list of furniture and furnishings. Bids for much of the furniture associated with Phase I of the project would need to be issued at least a year prior to the completion of Phase I construction work. Some of the specialty items such as the modular furnishings for the colonnade system would require a slightly longer lead time. The Architect of the Capitol's current schedule calls for completion of Phase I construction by March 15, 1988. Accordingly, procurement activity would begin early in calendar year 1987.

LIBRARY OF CONGRESS
FURNITURE AND FURNISHINGS

Estimated Library of Congress Furniture and Equipment Costs
Related to the Renovation/Restoration of the
Thomas Jefferson and John Adams Buildings
Fiscal Year 1987 Estimates

	Thomas Jefferson Building	John Adams Building	Total
Telecommunications Cabling	$ 350,000	$ 350,000	$ 700,000
Book Shelving	388,000	248,000	636,000
Interior Partitions	313,000	560,000	873,000
Card Catalogs	332,000	300,000	632,000
Special Purpose Furniture and Equipment	2,152,000	351,000	2,503,000
Reading Rooms, Study Facilities, Meeting Rooms	784,000	609,000	1,393,000
Carpeting	971,000	529,000	1,500,000
Office Furniture	1,126,000	2,223,000	3,349,000
Eating Facilities	64,000	54,000	118,000
Lighting	56,000	30,000	86,000
Furniture Refinishing	105,000	45,000	150,000
	$ 6,641,000	$ 5,299,000	$ 11,940,000
Contingency Fee @ 15%			$ 1,791,000
GRAND TOTAL			$ 13,731,000

REv LERO 10/25/85

LIBRARY OF CONGRESS
FURNITURE AND FURNISHINGS

Justification of Increases and Decreases

	FY 1986 No. Amount	FY 1987 No. Amount	Increase No. Amount
1. Furniture and Equipment - Renovation and Restoration			
Current level			+ $13,731,000

It is requested that the expense of purchasing furniture and equipment as part of the renovation and restoration of the Thomas Jefferson and John Adams Buildings be appropriated for the Library in its Furniture and Furnishings, Library of Congress appropriation, to remain available until expended. This expense was not included in the amount appropriated to the Architect of the Capitol in the 1984 supplemental appropriation.

Aside from renewing and restoring the buildings, our future objectives are to bring them into compliance with present day life safety codes and refit them as efficient and safe, work, reader and storage areas. Newly designed centers of research will converge the old and new sources of knowledge, reading rooms in the Sciences, the Humanities, the Social Sciences, and in all civilizations, and greatly improved facilities for our Rarebook and Special Collections and Science and Technology Divisions. The restoration of the Thomas Jefferson Building affords a unique opportunity to refurbish one of the grandest monuments of nineteenth-century America. While the Adams Building will be restored to its original purpose as a building to house a major portion of our book collection, space there must be renovated for some 800 members of the Library staff. It is intended to make furniture and equipment selections that will blend with the architectural treatment in the spaces to be restored and renovated and that will ensure most efficient and productive utilization of space and produce long-term economies in the use of the buildings.

LIBRARY OF CONGRESS
FURNITURE AND FURNISHINGS

Justification of Increases and Decreases

FY 1986		FY 1987		Increase	
No.	Amount	No.	Amount	No.	Amount

1. Furniture and Equipment - Renovation and Restoration - Current Level (continued)

Costs of furniture and furnishings were determined by surveying the needs of operational units and special purpose and public use areas. This work was done in close collaboration with the Architect of the Capitol and Arthur Cotton Moore and Associates. The costs were determined at 1984 prices and then escalated to the mid-point of construction during each of the two phases. A 15 percent contingency factor was added to the estimates as it was to the building construction estimates. A cost breakdown has been developed for eleven general furniture/equipment categories for each building as described below.

Telecommunications Cabling

Telephone and data transmission cabling throughout both buildings not provided for in the Architect of the Capitol's Budget.

Book Shelving

Book shelving has been built into the core of both buildings and cannot be moved. Additional shelving will be placed in the newly designed centers of research, refurbished reading rooms, and special collection areas.

Interior Partitions

Low partitions such as those used in the Madison building with work station components will be used for open spaced planning arrangements in non-decorative areas. They allow for higher staff concentrations and those with electrical wiring built in allow highly efficient electric power distribution.

LIBRARY OF CONGRESS
FURNITURE AND FURNISHINGS

Justification of Increases and Decreases

	FY 1986 No. Amount	FY 1987 No. Amount	Increase No. Amount
1. Furniture and Equipment - Renovation and Restoration - Current Level (continued)			

Card Catalogs

Card Catalog and other special storage cases will be placed in some of the newly designed centers of research, reading rooms, and special collection areas. Very old card catalogs will need to be replaced in some work areas.

Special Purpose Furniture and Equipment

This category provides for specially designed office colonnade modular furniture and modular wall systems; orientation theatre seating; venetian blinds; drapes; health room equipment; special purpose display and storage cases, such as those for musical instruments; and exterior benches and tables for the Neptune Plaza.

Reading Rooms, Study Facilities, Meeting Rooms

Reading areas are an integral part of newly designed centers of research in the colonnaded areas and reading rooms being refurbished, will receive new furniture. Newly created study facilities for scholars and refurbished older facilities will receive new furniture. Newly created meeting rooms for scholars and others will be outfitted.

Carpeting

As part of the design scheme in both buildings, carpeting will be installed in both buildings in most public and office areas to reduce noise and improve the working environment. Special carpeting will be installed in the Main Reading Room.

LIBRARY OF CONGRESS
FURNITURE AND FURNISHINGS

Justification of Increases and Decreases

	FY 1986 No. Amount	FY 1987 No. Amount	Increase No. Amount
1. Furniture and Equipment - Renovation and Restoration - Current Level (Continued)			

Office Furniture

The planning of office layouts and office furniture has assumed the procurement of new furniture since there are several distinct advantages to be gained from a coordinated furniture program: (1) designs will be chosen to blend with the architectural style and features of both buildings; (2) modular work stations where they can appropriately be used make possible the more efficient use of space; and (3) a coordinated furniture program permits flexibility in relocating furniture among different units in the building when there are changes in organization or location.

Eating Facilities

The Library was asked to assume the costs of "loose" chairs and outdoor eating tables associated with the eating facilities in both buildings. These costs were not included in the Architect of the Capitol's Budget.

Lighting

The Library was given the responsibility by the Architect of the Capitol to provide special lighting in certain historic areas as well as in the office colonnade locations.

Furniture Refinishing

Certain pieces of furniture have been identified for refinishing, principally in various reading rooms, that can be reused.

COMPACT SHELVING

Question. We understand there are some problems with the mechanized compact shelving at Madison. There are many successfully operating manual movable shelving used throughout the library community. Have you analyzed the economics of replacing your shelving with manual ones compared to the costs of maintaining the mechanized systems or increasing its safety? (If not, I suggest your facilities staff might look into that.)

Response. In the Law Library compact shelving installation, there are 68.2 miles of shelving. Ranges are eight feet nine inches high and up to 24′ long. Up to 12 individual ranges may be set in motion by pressing a single run button. In the Music compact shelving installation, there are 11.5 miles of shelving. The ranges are eight feet high and up to 21 feet long. The size of this shelving dictates electronic operation and not manual operation. Smaller installations and lesser shelving configurations can be operated in a manual mode, but it is not possible to do this at the Library of Congress except to move one range at a time in the event of an emergency by using a special crank. To convert the Library installation to a manual mode of operation would mean dismantling the present installations and starting over and a considerable amount of storage space would be lost using smaller and lower ranges. Some materials would be salvageable but the ultimate cost of conversion would run into the millions of dollars. Manual systems are not without their own set of problems as many universities can attest to and often require associated electronic safety features.

The work the Library would like undertaken by the Architect of the Capitol is to enhance the safety system by eliminating the possibility of a faulty interpretation of electronic signals that would prevent safety systems from being activated. This involves some system rewiring. There is also a proposal to extend the life of all electronic components by introducing a feature that would shut off the power to each shelving module when the unit is not in use. This should eliminate some downtime and maintenance work.

OUTSIDE MANAGEMENT CONSULTANTS

Question. Has the Library of Congress ever hired outside management consultants to review any aspect of library operations with regard to efficiency? If so, could you please elaborate?

Response. The Library has often used experts and consultants to meet a wide variety of needs. Many individuals and firms have assisted us to develop our automation systems over the past 20 years. Several years ago Arthur D. Little, Inc., completed a study entitled *Strengthening the Law Library of Congress* an extensive general management study of the Law Library's mission and services. At various times the Copyright Office also has used outside management experts to recommend ways to improve the Office's efficiency. The largest study was conducted by Cresap, McCormick and Paget, Inc. The National Library Service for the Blind and Physically Handicapped continues to use outside experts where appropriate to improve its general efficiency and effectiveness.

RECESS OF HEARING

Mr. FAZIO. We have had a comprehensive hearing. Thank you.

MONDAY, FEBRUARY 24, 1986.

OFFICE OF TECHNOLOGY ASSESSMENT

WITNESSES

HON. MORRIS K. UDALL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARIZONA, AND VICE CHAIRMAN, TECHNOLOGY ASSESSMENT BOARD

HON. GEORGE E. BROWN, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, AND MEMBER, TECHNOLOGY ASSESSMENT BOARD

HON. COOPER EVANS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA, AND MEMBER, TECHNOLOGY ASSESSMENT BOARD

JOHN H. GIBBONS, DIRECTOR, OFFICE OF TECHNOLOGY ASSESSMENT

LIONEL S. JOHNS, ASSISTANT DIRECTOR, ENERGY, MATERIALS AND INTERNATIONAL SECURITY DIVISION

ROGER HERDMAN, ASSISTANT DIRECTOR, HEALTH AND LIFE SCIENCES DIVISION

JOHN ANDELIN, ASSISTANT DIRECTOR, SCIENCE, INFORMATION AND NATURAL RESOURCES DIVISION

CATHERINE D. HENRY, BUDGET AND FINANCE OFFICER

THOMAS P. McGURN, ADMINISTRATIVE OFFICER

OPENING REMARKS

Mr. FAZIO. We will convene and consider the budget for fiscal year 1987 for the Office of Technology Assessment.

Congressman Udall is with us. We also would like to welcome Congressman George Brown and Congressman Cooper Evans, who are members of the Board; and, of course, Dr. John Gibbons, the Director of OTA.

The budget for 1987 totals $17,700,000. That is a $3,058,000 increase from fiscal year 1986, after the Gramm-Rudman reduction. That is a 20.9 percent increase that has been requested.

The staff limitation remains at 143.

Mr. FAZIO. We would be happy to hear from the Chairman—I guess the Vice Chairman, at this point—of the Technology Assessment Board, an individual who has been very much instrumental in the activities of the Board for a long time.

Chairman Udall, we are very glad to have you with us.

Mr. UDALL. Thank you.

However long I take, I shall be brief.

Mr. FAZIO. We will stipulate to that.

Mr. BROWN. Goes without saying.

STATEMENT OF MR. UDALL

Mr. UDALL. At a time when Congress must work extraordinarily hard to keep up with accelerated technological growth and the associated Federal dollars, OTA's appropriations request of $17.7 million is a crucial investment.

In the coming year, Congress will have to make many decisions regarding which new technological paths to follow and which we must forego. With Gramm-Rudman-Hollings, committee reliance on OTA's expertise will increase, and we on the Technology Assessment Board anticipate a corresponding increase in the number of requests for full assessments, and particularly for short responses and special analyses.

OTA's unique ability to provide the Congress with reliable expert information and to help the Congress in resolving the uncertainties and conflicting claims of other experts has become, and will remain, an indispensable part of congressional policy-making.

The Office of Technology Assessment has the ability to provide assistance to the Congress on a broad spectrum of issues. Let me provide you with a few examples:

WESTERN SURFACE MINE RECLAMATION

OTA recently completed a year-long assessment of technologies for western surface mine reclamation. There are many technical uncertainties related to the expansion of surface coal mining in the West, arising from the highly variable climate, topography, geology, soils, hydrology and ecology. OTA identified many of these uncertainties and provided Congress with guidance about methods for evaluating the success of reclamation practices and with information regarding the ability of current mining and reclamation technologies and methodologies.

INDIAN HEALTH POLICY

Second, OTA's assessment of current Federal health policy toward Indians has identified the major issues in Federal Indian health policy: eligibility and entitlement; resource allocation and scope of services; availability and adequacy of resources; and self-determination and tribal assumption of health services. Congressional direction on Federal Indian health care will be especially crucial in the Federal budget climate of the next five to ten years.

LOW-RESOURCE AGRICULTURE

Third, OTA's ongoing assessment of low-resource agriculture in developing countries is looking at technologies that are low-risk, require low-purchased input, are based on existing agricultural methods, and are suitable for the small farms, small businesses, and small incomes of Africa and other developing nations. The OTA report will suggest ways to overhaul the congressional role in agricultural development, and preliminary results from this study suggest that the findings may have important implications for American farmers and ranchers as well as agriculturalists in developing countries.

DOMESTIC COPPER INDUSTRY

Finally, OTA has been asked to identify and assess the technical and economic issues related to the failure of the domestic copper industry, a concern to many of us in the West. The economic contribution of a strong domestic copper industry is of continuing interest to Congress in its deliberations on trade, employment and environmental regulation issues, and an OTA contribution in this area would be an asset to future legislative initiatives.

The Office of Technology Assessment continues to work on a wide variety of subjects of interest and importance to the Congress and critical to our national interests.

Mr. Chairman, I ask you and your subcommittee to look favorably upon OTA's fiscal year 1987 budget so that we can increase our level of response to meet the rising information and analysis demands of Congress. I am confident that this investment will yield a high rate of return.

[The statement of Mr. Udall follows:]

Statement of Congressman Morris K. Udall, Vice Chairman
Congressional Board
Office of Technology Assessment, U.S. Congress

before the

Subcommittee on Legislative
Committee on Appropriations
U.S. House of Representatives

February 24, 1986

Mr. Chairman, I am pleased to appear before your Subcommittee today in support of OTA's appropriations request. As a member of the bipartisan, bicameral Board that leads OTA, I welcome the opportunity to bring to your attention OTA's outstanding record of accomplishment in aiding Congress with reliable, objective, and quality analyses.

At a time when Congress must work extraordinarily hard to keep up with accelerated technological growth and the associated federal dollars, OTA's appropriations request of $17,700,000 is a crucial investment.

In the coming year, Congress will have to make many decisions regarding which new technological paths to follow and which we must forego. With Gramm-Rudman-Hollings, committee reliance on OTA's expertise will increase, and we on the Technology Assessment Board anticipate a corresponding increase in the number of requests for full assessments, and particularly for short responses and special analyses. OTA's unique ability to provide the Congress with reliable expert information and to help the Congress in resolving the uncertainties and conflicting claims of other experts has become, and will remain, an indispensable part of congressional policy making.

The Office of Technology Assessment has the ability to provide assistance to the Congress on a broad spectrum of issues. Let me provide you with a few examples:

(1) OTA recently completed a year long assessment of technologies for western surface mine reclamation. There are many technical uncertainties related to the expansion of surface coal mining in the West, arising from the West's highly variable climate, topography, geology, soils, hydrology, and ecology. OTA identified many of these uncertainties and provided Congress with guidance about methods for evaluating the success of reclamation practices and with information regarding the ability of current mining and reclamation technologies and methodologies, and of Federal programs and policies, to meet the statutory mandates.

(2) OTA's assessment of current Federal health policy toward Indians has identified the major issues in Federal Indian health policy: eligibility and entitlement; resource allocation and scope of services; availability and adequacy of resources; and self-determination and tribal assumption of health services. Congressional direction on Federal Indian health care will be especially crucial in the Federal budget climate of the next 5 to 10 years, and this study will help Congress with the hard choices that will most likely have to be made among Indian health care programs.

(3) OTA's ongoing assessment of low-resource agriculture in developing countries is looking at technologies that are low risk, require low purchased input, are based on existing agricultural methods, and are suitable for the small farms, small businesses, and small incomes of Africa and other developing countries. The OTA report will suggest

ways to overhaul the Congressional role in agricultural development, and preliminary results from this study suggest that the findings may have important implications for American farmers and ranchers as well as agriculturalists in developing countries.

(4) OTA has been asked to identify and assess the technical and economic issues related to the failure of the domestic copper industry. The economic contribution of a strong domestic copper industry is of continuing interest to Congress in its deliberations on trade, employment, and environmental regulation issues, and an OTA contribution in this area would be an asset to future legislative initiatives.

The Office of Technology Assessment continues to work on a wide variety of subjects of interest and importance to the Congress and critical to our national interests. Mr. Chairman, I ask you and your Subcommittee to look favorably upon OTA's FY 1987 budget so that we can increase our level of response to meet the rising information and analysis demands of Congress. I am confident that this investment will yield a high rate of return.

Mr. **Fazio**. Thank you very much, Mr. Chairman.

At this point, before we get into any discussion, we want to hear from Congressman Brown and Congressman Evans.

Mr. **Udall**. May I have consent to insert a statement from John Dingell, a member of our Board?

Mr. **Fazio**. Yes.

[The statement of Mr. Dingell follows:]

Statement of Congressman John D. Dingell, Member
Congressional Board
Office of Technology Assessment, U.S. Congress

before the

Subcommittee on Legislative
Committee on Appropriations
U.S. House of Representatives

February 24, 1986

Mr. Chairman, I appreciate the opportunity to appear before you in support of OTA's FY 1987 budget request. The Office of Technology Assessment is making a unique contribution to the Congress that is particularly important given the enormous budgetary pressures that are confronting the Congress.

As Chairman of the House Committee on Energy and Commerce, and as a member of OTA's congressional Board, I can state again this year that OTA's high quality, nonpartisan, objective analysis has been indispensable to our ability to deal with many of the increasingly complex issues facing us in the Congress.

I would like to mention some of the excellent studies that OTA has delivered to my committee during the last year.

Potential U.S. Natural Gas Availability. This assessment was designed to help determine domestic natural gas availability over the next few decades and to help understand the factors that affect this availability. The OTA assessment: 1) analyzed the key technical and physical parameters that determine the resource base; 2) critically reviewed current estimates of the resource base; and 3) analyzed the uncertainties in estimates of resources and production rates, and identified those uncertainties that may be reduced with additional R&D.

Superfund Strategy. Mismanagement of hazardous wastes -- both past and present -- threatens human health and the environment and is expensive for our society. A start has been made in developing cleanup technologies for uncontrolled sites and in averting problems by effective management of new hazardous wastes. This OTA study brings together a great deal of information on what can be learned from the initial Superfund program in order to improve it. In particular, it focuses on the choice between continuing and improving the current program and adopting a new strategy on the basis of improved information. Such a new strategy has been defined and analyzed by OTA in considerable detail to provide Congress with an understanding of critical policy trade-offs.

Preventing Illness and Injury in the Workplace. Each year there are some 2.3 million disabling injuries and 13,200 accidental deaths in the workplace, and perhaps 100,000 people die from job-related diseases. Efforts to reduce this toll are aimed at developing and applying control technologies. This assessment developed information about research and development, diffusion, application, and evaluation of workplace control technologies. One product of the assessment is a series of options that address: improving data about workplace accidents and illnesses; aiding development of appropriate technologies; their diffusion, application, and evaluation; and making control technologies available to small firms at a price they can afford.

Information Technology Research and Development. Computer and communications technologies are vital components of the domestic economy. Underlying current U.S. leadership in information technology has been a strong national research and development effort on the part of both government and industry, but traditional patterns are shifting along with the structure of industry, international competition, and technological advances. This report characterizes those shifts in R&D, projects their implications for U.S. leadership in computer and communications technology, and analyzes the potential influences of Federal policy on the directions and levels of R&D support.

In addition to the formal reports, OTA's testimony has been of important value to the House Committee on Energy and Commerce:

Testimony based on a technical memorandum, Review of the Public Health Service's Response to AIDS, was presented to the full committee and to the Committee on Government Operations. The study and the testimony assisted the committees in their efforts to deal this issue of continuing and critical concern to the country.

Testimony based on OTA's continuing work in nuclear waste management as delivered to the Subcommittee on Energy Conservation and Power. OTA's ongoing analysis of DOE's Radioactive Waste Management Plan has been of great assistance to the committee's oversight of this work.

The Special Subcommittee on U.S.-Pacific Rim Trade benefited from testimony based on OTA's ongoing assessment of Technology Transfer to China. The testimony, which focused on energy technology transfer, is an example of the importance of OTA's anticipatory work, and of how OTA can begin to deliver interim results of its long-term assessments well before completion of the study.

The following are examples of assessments that OTA is currently conducting for my committee:

Technology Transfer to China. The People's Republic of China (PRC) is introducing major changes as it rapidly modernizes its economic system and seeks improved global relationships. Imports of technology and scientific expertise and the encouragement of foreign investments are key elements. This assessment is examining the role of imported science and technology in the plans of the PRC; the technology the United States and other nations can supply; the impacts of policy on these transfers; and the security and commercial risks involved.

Technology and Indian Health Care. Despite some improvement, the health status of American Indians and Alaska Natives remains substantially below that of the general U.S. population. Because of the Federal Government's special responsibilities for the delivery and financing of health care for nearly 1 million of the 1.5. million Indians in the United States, Congress continues to be concerned about the quality, appropriateness, accessibility, and financing of such care. This project is a comprehensive examination of the health technologies and services provided to Indians and of whether those technologies are appropriate and adequate in view of the health problems of Indians.

Hazardous Materials Transportation. The safe transportation of the 4 billion tons of hazardous commodities and radioactive and chemical wastes shipped annually is a concern at all levels of government. This assessment is directed toward these fundamental issues: 1) the data and information systems for tracing commodity and waste transport and accident reporting; 2) the adequacy of the containers used in hazardous materials transportation; and 3) training needs for emergency response and enforcement personnel. It will examine the roles of Federal, state, and local governments in these areas. The assessment will suggest alternatives for improved management of hazardous materials transportation and will develop a range of policy options.

Mr. Chairman, I thank you for the opportunity to share my observations with you today. Dollar-for-dollar OTA is probably the most efficient and productive organization serving Congress or the government. I support OTA's FY 1987 budget request of $17,700,000, and hope you will give favorable attention to this request.

Mr. **Fazio**. It would be our pleasure to hear your statement, George.

Mr. **Brown**. We do have written submissions, Mr. Chairman.

Mr. **Fazio**. They will be taken for the record. Would you like to summarize?

Mr. **Brown**. I will briefly go through it. It is an excellent statement.

Mr. **Fazio**. I have no doubt. Otherwise, we would never have allowed it to be filed for the record.

Mr. **Brown**. The thrust of what I wanted to present to you is the outstanding international reputation of the Office of Technology Assessment, and in that light my statement includes a recent article from Science magazine titled "Europeans Embrace Technology Assessment," which I hope you will include as part of my statement.

STATEMENT OF MR. BROWN

Mr. **Brown**. To paraphrase Chairman Udall, I will also be brief, Mr. Chairman. You have already given me permission to insert my statement in the record.

OTA AS AN INTERNATIONAL MODE

I was pointing out the fact that OTA has become an international model for free parliaments all around the world seeking to better cope with the problem of determining the impact of the rising tide of new technologies. I speak to many of these parliamentarians myself when they come over here. I am sensitive to the needs that they express and to the fact that they think that we have created a model which they can copy in terms of coping with some of the problems that they face.

HISTORY OF OTA'S DEVELOPMENT

It is important to have a sense of the history of this development of OTA. I will briefly comment on it.

It was originally initiated by hearings conducted by Emilio Daddario, our highly respected colleague on the Science Committee in the Sixties. I had the privilege of participating in those hearings at the time and helping to craft an institutional framework which is today the OTA.

I might say, this is not exactly the framework that emerged from the committee, but it is a reasonable compromise on that framework.

The legislation was actually passed in 1972, as I recall, and the OTA became operational in 1973. Mr. Udall was an original member of that board. I came on it a couple of years later, in 1975. I have served on it since.

INCREASE IN THE LEVEL AND VALUE OF OTA'S SERVICE

I have witnessed—and I think Mo will attest to this—a continued increase in the level of the service and the value of the service done by the OTA. It was highly tentative at first. We did not know quite how to define the role and what kinds of subjects to get into.

We tried to learn by experience and move into each new area with a better grasp of what we could contribute to the deliberations of the Members of Congress as a whole.

OTA'S WORK ON DEFENSE ISSUES

The most recent area, the one that has proven to be extremely difficult, is on some of the critical issues in defense policy. I think we still have to be extremely careful in going into this area, and we try to; and, of course, under the present chairmanship of Senator Stevens, who is equally concerned that we be careful about this, I think that we have moved in a proper way.

I had occasion to use—and I hope other Members have likewise had the opportunity—some of the reports such as the Ballistic Missile Defense Study, the ASAT studies; and while some have criticized these studies as leaning in one direction or the other—and we have debated this at length in the Board—my personal opinion—and I have said so in the Board—is that these represent the best, most balanced analyses of these crucial, vitally important issues that have been prepared in any forum.

I even went so far as to say if anything could induce me to vote for the SDI, it was the OTA report.

I am not necessarily an exponent of ballistic missile defense systems in space. That is the caliber of the reports that are being done.

I have cried for years about the fact that we were moving into new programs like ASAT without having a thorough analysis and discussion of it. The OTA report issued last fall, September I think it was, is the best all-around assessment of the ASAT that I have seen anywhere. It offers a menu of policy choices that can be taken depending upon your particular philosophy and values. But you are able to make that choice in the light of a full spectrum of the alternatives. That is the kind of assistance we need here in the Congress.

INCREASING DEMANDS ON OTA

I am convinced of its very great value. I recognize we are asking for an increase in funding, for the reasons the Chairman set forth. There are more demands placed on us every day. I would set forth a reduced budget if you would require that every committee that requests a study provide the funds necessary to do it. We have not gotten to that point yet.

We make up our budget a year, 18 months in advance, in light of the requests we have. Then we have legislation passed that requires that OTA do this, or that. We cannot do that without bumping somebody we already decided was of a high priority. We hope you will keep that in mind, Mr. Chairman.

With that, I will conclude.

[The statement of Mr. Brown follows:]

STATEMENT OF CONGRESSMAN GEORGE E. BROWN, JR.

TECHNOLOGY ASSESSMENT BOARD

OFFICE OF TECHNOLOGY ASSESSMENT

U.S. CONGRESS

SUBCOMMITTEE ON LEGISLATIVE

COMMITTEE ON APPROPRIATIONS

U.S. HOUSE OF REPRESENTATIVES

FEBRUARY 24, 1986

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, I APPRECIATE THE OPPORTUNITY TO SPEAK BEFORE YOU TODAY ON BEHALF OF THE OFFICE OF TECHNOLOGY ASSESSMENT (OTA). THIS ANNUAL APPROPRIATIONS HEARING

IS AN OCCASION I ANTICIPATE WITH PLEASURE, FOR IT PROVIDES ME WITH A CHANCE TO REFLECT UPON THE MAJOR CONTRIBUTIONS THAT OTA HAS MADE TO THE CONGRESS--AND TO THE NATION--SINCE THE OFFICE WAS ESTABLISHED IN 1972. THIS HEARING ALSO ALLOWS ME TO REVIEW FOR MY COLLEAGUES SOME OF THE ONGOING OTA PROJECTS THAT WILL COME TO FRUITION IN THE YEAR AHEAD.

IF I MAY, MR. CHAIRMAN, I WOULD LIKE TO START BY REFERRING TO AN ARTICLE THAT APPEARED IN THE FEBRUARY 7, 1986, ISSUE OF SCIENCE MAGAZINE. THE ARTICLE, TITLED "EUROPEANS EMBRACE TECHNOLOGY ASSESSMENT," REPORTS THAT GOVERNMENTS THROUGHOUT EUROPE ARE ATTEMPTING TO CREATE OTAS OF THEIR OWN. OFFICIALS IN BRITAIN, FRANCE, WEST GERMANY, AUSTRIA, AND THE NETHERLANDS APPARENTLY ALL VIEW OUR OTA AS A MODEL EXAMPLE OF TECHNOLOGY ASSESSMENT INSTITUTIONS.

AS EXPLAINED IN THE ARTICLE--WHICH I REQUEST BE INCLUDED IN THE HEARING RECORD--THE OTA HAS DEVELOPED A HIGH REPUTATION WORLDWIDE. OTA REPORTS ARE FREQUENTLY QUOTED DURING DELIBERATIONS BY THE PARLIAMENTS AND GOVERNING BODIES OF MANY FOREIGN NATIONS. I HAVE BEEN INFORMED THAT DURING 1985, 113 FOREIGN VISITORS--REPRESENTING 42 DIFFERENT COUNTRIES--CAME TO MEET WITH THE OTA STAFF, TO SEE HOW THE INSTITUTION FUNCTIONS AND TO LEARN HOW IT COMPLEMENTS OUR POLITICAL SYSTEM. MANY OF THESE VISITORS ALSO CAME TO MY OFFICE, GIVING ME A FIRST-HAND OPPORTUNITY TO EXHANGE VIEWS WITH THEM ON HOW TECHNOLOGY ASSESSMENT MIGHT HELP MEET THEIR POLICY ANALYSIS NEEDS.

IT IS WITH A SENSE OF PRIDE THAT I BRING TO YOUR ATTENTION OTA'S WIDE ACCLAIM. I PARTICIPATED WITH OUR FORMER COLLEAGUE EMILIO DADDARIO IN THE DEVELOPMENT OF THE IDEA OF TECHNOLOGY

ASSESSMENT, IN THE HEARINGS WE HELD IN THE 1960'S ON THE SUBJECT, AND CO-SPONSORED EARLY VERSIONS OF THE LEGISLATION WHICH LED TO THE PASSAGE OF THE TECHNOLOGY ASSESSMENT ACT OF 1972. I HAVE SERVED ON OTA'S GOVERNING BODY, THE TECHNOLOGY ASSESSMENT BOARD, SINCE 1975. I HAVE WATCHED OTA GROW AND EVOLVE INTO THE EFFECTIVE, EFFICIENT AND REKNOWNED INSTITUTION THAT IT IS TODAY.

IT SHOULD BE NO SURPRISE THAT OTHER NATIONS ARE FINDING A NEED TO ESTABLISH INSTITUTIONAL ENTITIES FOR ANALYZING THE IMPACTS OF TECHNOLOGY ON SOCIETY. THE POLICY IMPLICATIONS OF ADVANCING TECHNOLOGIES ARE COMPLEX AND FAR-REACHING, AND SIMPLY CANNOT BE ASSESSED FULLY OR EFFICIENTLY WITHOUT THE ASSISTANCE OF AN OFFICE EXPLICITLY ESTABLISHED FOR SUCH A PURPOSE.

NOR SHOULD IT BE A SURPRISE THAT THE CONGRESSIONAL OFFICE OF TECHNOLOGY ASSESSMENT HAS BECOME A MODEL FOR OTHER NATIONS TO EMULATE. THE OTA HAS PRODUCED EXCELLENT--AT TIMES, GROUND-BREAKING--DOCUMENTS THAT HAVE ASSISTED CONGRESS IN ITS CONTINUING EFFORTS TO REACH BALANCED AND APPROPRIATE POLICIES FOR THE INTRODUCTION, REGULATION, AND CONTROL OF TECHNOLOGIES THAT AFFECT THE PEOPLES OF OUR NATION.

AS AN 11-YEAR MEMBER OF OTA'S TECHNOLOGY ASSESSMENT BOARD, I CAN CLAIM THE DISTINCT HONOR OF HAVING SEEN NEARLY ALL OF THE MORE THAN 100 OTA REPORTS THAT HAVE BEEN WRITTEN OVER THE YEARS. THE TITLES OF THESE STUDIES READ LIKE A CATALOGUE OF SOME OF THE MOST PRESSING ISSUES OF OUR DAY:

TECHNOLOGY AND STRUCTURAL UNEMPLOYMENT;

WORLD POPULATION AND FERTILITY PLANNING TECHNOLOGIES;

The Effects of Nuclear War;

Technology and East-West Trade;

MX Missile Basing;

Acid Rain and Transported Air Pollutants;

Protecting the Nation's Groundwater from Contamination;

Automation and the Workplace;

Radioactive Waste Management and Disposal

THESE ARE BUT A FEW EXAMPLES OF OTA'S COMPLETED STUDIES THAT HAVE BEEN UTILIZED BY OUR NATION'S POLICYMAKERS AT THE FEDERAL, STATE AND LOCAL LEVELS. THE FULL LIST INCLUDES CLASSIFIED AND UNCLASSIFIED ANALYSES IN POLICY AREAS INVOLVING NATIONAL SECURITY, HEALTH, INTERNATIONAL TRADE, ENERGY DEVELOPMENT, ENVIRONMENTAL AFFAIRS, BIOTECHNOLOGY, ROBOTICS AND TRANSPORTATION. MANY OF OTA'S DOCUMENTS HAVE BEEN OF INVALUABLE

ASSISTANCE TO ME, AND I KNOW THEY HAVE BEEN WIDELY USED BY MY COLLEAGUES AND BY THE VARIOUS COMMITTEES INVOLVED WITH THESE TECHNOLOGY POLICY MATTERS. MANY HAVE BEEN ON THE BEST SELLERS LIST OF THE GOVERNMENT PRINTING OFFICE, WHICH SAYS A GREAT DEAL ABOUT THE TIMELINESS AND IMPORTANCE OF OTA'S WORK.

MR. CHAIRMAN, AS AN ILLUSTRATION OF THE SERVICE PROVIDED BY OTA TO CONGRESS, I WOULD LIKE TO SHARE SOME OF MY MORE SPECIFIC VIEWS ON COMPLETED AND ONGOING STUDIES THAT I HAVE FOUND BOTH INTERESTING AND VALUABLE.

FOR EXAMPLE, THE REPORT, SUPERFUND STRATEGY, RELEASED IN APRIL 1985, CONTAINS THE BEST DESCRIPTION THAT I HAVE SEEN OF THE FULL DIMENSIONS OF THE HAZARDOUS WASTE PROBLEM. THE REPORT PREDICTS THAT COMPLETION OF THE FEDERAL SUPERFUND PROGRAM COULD

TAKE 50 YEARS, AT A COST OF $100 BILLION TO CLEAN UP APPROXIMATELY 10,000 SITES. AS A POLICYMAKER DEEPLY CONCERNED WITH THE HAZARDOUS WASTE ISSUE, I FEEL OTA HAS SERVED A VITAL PURPOSE BY PROVIDING ME WITH A PICTURE OF THE MAGNITUDE AND SCOPE OF THIS SERIOUS PROBLEM. OTHER OTA STUDIES THAT I HAVE FOUND USEFUL IN THIS FIELD INCLUDE TECHNOLOGIES AND MANAGEMENT STRATEGIES FOR HAZARDOUS WASTE CONTROL AND PROTECTING THE NATION'S GROUNDWATER FROM CONTAMINATION. IN ADDITION, I LOOK FORWARD TO SEEING THE STUDY, REDUCTION OF INDUSTRIAL HAZARDOUS WASTE, LATER THIS YEAR. REPORTS SUCH AS THESE WILL SERVE US WELL IN DETERMINING THE MOST EFFICIENT, AND MOST COST EFFECTIVE METHODS FOR ELIMINATING THE THREAT POSED BY TOXIC SUBSTANCES TO OUR HEALTH AND OUR ENVIRONMENT.

TWO OF THE MOST SIGNIFICANT REPORTS THAT I HAVE SEEN OTA PRODUCE ARE BALLISTIC MISSILE DEFENSE TECHNOLOGIES AND ANTI-SATELLITE WEAPONS, COUNTERMEASURES, AND ARMS CONTROL, RELEASED IN SEPTEMBER 1985. AS YOU KNOW, MR. CHAIRMAN, THE ADMINISTRATION'S ANTI-SATELLITE (ASAT) WEAPONS AND STRATEGIC DEFENSE INITIATIVE (SDI) PROGRAMS ARE HIGHLY CONTROVERSIAL. MANY MEMBERS OF CONGRESS, INCLUDING MYSELF, ARE DEEPLY CONCERNED ABOUT THE POTENTIAL IMPLICATIONS OF U.S. AND SOVIET ASAT AND BMD DEPLOYMENTS. BUT THESE ARE BOTH EXCEEDINGLY COMPLEX MATTERS, INVOLVING NOT ONLY ADVANCING WEAPONS TECHNOLOGIES, BUT ALSO U.S.-SOVIET RELATIONS, ARMS CONTROL POLICY, PARTISAN POLITICS AND BUDGET ISSUES. IT IS VITAL IN SUCH SITUATIONS THAT CONGRESS CALL UPON AN INDEPENDENT BODY TO PROVIDE ANALYSES OF THE PROS AND CONS OF SUCH PROPOSALS. IN THIS REAGARD, I FEEL OTA HAS DONE AN ADMIRABLE JOB. THE ASAT AND BMD REPORTS PROVIDE THOROUGH REVIEWS

OF THE POLICY OPTIONS AVAILABLE TO THE NATION IN THE AREA OF SPACE WEAPONS DEVELOPMENT, INCLUDING SOME OF THE BEST DISCUSSIONS PRINTED TO DATE OF THE POTENTIAL IMPLICATIONS OF OUR MANY ALTERNATIVES.

AS A FOLLOW-UP TO THESE REPORTS, OTA IS CURRENTLY WORKING ON A STUDY, TITLED SURVIVABILITY AND SOFTWARE, WHICH WILL ANALYZE TWO OF THE MOST CRITICAL CONCERNS REGARDING SPACE-BASED MISSILE DEFENSE: (1) THAT SUCH A SYSTEM MIGHT BE VULNERABLE TO DIRECT ATTACK; AND, (2) THAT THE COMPUTER SOFTWARE FOR SUCH A DEFENSE WILL BE EXCEEDINGLY DIFFICULT TO WRITE AND TEST. I LOOK FORWARD TO READING THIS NEW STUDY, FOR I EXPECT IT WILL PROVIDE YET ANOTHER MAJOR CONTRIBUTION TO THE NATIONAL DEBATE ON THIS TOPIC.

OTA HAS ALSO CONDUCTED SHORTER-TERM RESEARCH WHICH HAS BEEN USEFUL. THEIR 1983 WORKSHOP PLANTS: THE POTENTIALS FOR EXTRACTING PROTEIN, MEDICINES, AND OTHER USEFUL CHEMICALS PROVIDED THE BASE FOR A NUMBER OF AMENDMENTS ON CRITICAL MATERIALS FROM PLANTS CONTAINED IN THE 1985 FARM BILL.

OTHER RECENT REPORTS THAT I HAVE FOUND VALUABLE INCLUDE: INFORMATION TECHNLOGY R&D: CRITICAL ISSUES AND TRENDS, ALTERNATIVES TO ANIMAL USE IN RESEARCH, TESTING, AND EVALUATION, AND CIVILIAN SPACE STATIONS AND THE U.S. FUTURE IN SPACE.

MR. CHAIRMAN, IN THESE TIMES OF INCREASED CONCERN OVER THE FEDERAL BUDGET DEFICIT, I FEEL OTA'S ROLE IS MORE IMPORTANT THAN EVER. MANY OF OTA'S STUDIES ARE EXPLICITLY DESIGNED TO SAVE THE

NATION MONEY. WITHOUT OTA, WE WOULD BE FORCED TO REPLICATE ITS ACTIVITIES IN AN AD HOC FASHION. IN DOING SO, I AM CONVINCED THAT CONGRESS WOULD LEAN TOWARD THE ADOPTION OF SHORT-SIGHTED POLICIES THAT CARRY MAJOR LONG-TERM EXPENSES.

IT IS THIS VERY REALIZATION THAT HAS SPURRED MANY OF THE EUROPEAN NATIONS TO INITIATE OTA ANALOGUES OF THEIR OWN. THIS WAS ONE OF THE MAJOR POINTS OF THE SCIENCE ARTICLE TO WHICH I REFERRED EARLIER. AS EXPLAINED BY A MEMBER OF THE BRITISH PARLIAMENT WHEN REFERRING TO A COSTLY MISTAKE MADE IN THE 1970'S WHEN BRITAIN CHOSE TO BUILD ITS OWN EARLY-WARNING AIRCRAFT RATHER THAN OPTING FOR AN OFF-THE-SHELF AMERICAN MODEL: "IF WE HAD HAD AN OFFICE OF TECHNOLOGY ASSESSMENT AT THE TIME, WE MIGHT HAVE BEEN ABLE TO SAVE THE BRITISH TAXPAYERS SEVERAL HUNDRED MILLION POUNDS."

SAVING MONEY FOR THE NATION IS CERTAINLY ONE VITAL SERVICE PROVIDED BY OTA. MORE IMPORTANTLY, HOWEVER, OTA IS IN THE BUSINESS OF KEEPING CONGRESS FULLY AWARE OF THE POTENTIALS AND THE HAZARDS OF ADVANCING TECHNOLOGIES.

THE FACT THAT NATIONS AROUND THE GLOBE ARE MIMICKING THE U.S. OTA SHOULD SERVE AS TESTIMONY ENOUGH THAT THIS INSTITUTION IS WORTH ITS MODEST INVESTMENT. IT ALSO SPEAKS TO THE GROWING VIEW THAT TECHNOLOGY AND TECHNOLOGY ASSESSMENT MUST GO HAND-IN-HAND IN THE MODERN WORLD. WE LIVE IN AN EXCITING ERA OF SCIENTIFIC DISCOVERIES AND TECHNOLOGICAL BREAKTHROUGHS, YET WE MUST GUARD AGAINST THE DANGERS ASSOCIATED WITH THESE DEVELOPMENTS. OTA IS OUR WATCHDOG OVER THIS PROCESS. I FULLY SUPPORT THE INSTITUTION, AND TRUST YOU WILL TOO AS YOU CONSIDER OTA'S BUDGET NEEDS FOR FISCAL YEAR 1987.

Europeans Embrace Technology Assessment

The U.S. Office of Technology Assessment is seen as a model; so many European versions are being proposed that it may be "difficult to find new topics" says one official

Paris.

In the early 1970's, the British government decided to order an early-warning aircraft from its own aerospace industry rather than buy off-the-shelf from the United States. Ten years later, a succession of unforeseen technical problems has meant that the aircraft, Nimrod, is currently 4 years overdue and incurring cost overruns that have put a major strain on the whole of the British defense budget.

"If we had had an Office of Technology Assessment at the time, we might have been able to save British taxpayers several hundred million pounds," says Conservative member of Parliament Ian Lloyd, former chairman of the House of Commons Select Committee on Science and Technology and currently a prominent member of the Parliamentary and Scientific Committee.

Lloyd is one of a growing number of European politicians, coming from all points on the political spectrum, who are pushing for the creation in their different countries of technology assessment institutions with comparable goals—though not necessarily an identical structure—to those of the agency set up by the U.S. Congress in 1973.

The task is not proving straightforward. Because of the strong constitutional links between legislative and executive branches of European governments, European parliaments find it much more difficult to act autonomously from their governments than the U.S. Congress does from the Administration.

Nevertheless, several different projects and proposals are already under way:

- The French Parliament has set up an Office for the Evaluation of Scientific and Technological Choices (Office Parlamentaire d'Evaluation des Choix Scientifiques et Techniques) which published its first report—on acid rain—at the beginning of December.
- West Germany's Federal Parliament has set up an all-party committee to suggest what form a similar body should be given in Bonn.
- In the Netherlands, a bill is expected to be passed shortly setting up a technology assessment committee with half of its members nominated by the Royal Dutch Academy of Science and the other half by the government's Council for Science Policy.
- The Austrian government has added technology assessment to the responsibilities of a research institute attached to the Academy of Sciences.
- The leader of Britain's Labor Party, Neil Kinnock, has promised to create a British version of the American OTA if it defeats the current Conservative government in the next general election, due to be held in 3 years (the proposal is already being studied by the Parliamentary and Scientific Committee, where it has generated substantial support); and
- The European Parliament, whose elected members oversee the work of the Commission of the European Economic Community in Brussels, has also adopted a resolution committing itself to setting up a similar office. No funds have yet been appropriated for it, however.

The U.S. agency is widely quoted in Europe as the basic model, but different countries favor individual variations. A wide spectrum of motivations lies behind the current moves. For some, a strong parliamentary office is seen primarily as a way to provide elected politicians with an independent voice in political issues that have a high technological content.

"Whenever either of the two Houses of Parliament considers a major technical issue, we have nothing like the OTA to prepare our briefs," complains Lloyd. "Take the Strategic Defense Initiative, for example. The OTA has published two fat reports; we have had absolutely nothing."

A member of the Luxembourg-based staff of the European Parliament suggests that the enthusiasm shown by those referred to as "Euro-MP's" is similarly linked to the increasing technical complexity of issues dealt with by the EEC commission, ranging from automobile-emission standards to the impact of computers on jobs. "The idea that science and technology are political is slowly pervading the Parliament," he says, adding that "committees in general are slowly wak-

"OTA has published two fat reports [on SDI]; we have had absolutely nothing," says Lloyd.

In Germany, for example, much of the pressure for a new parliamentary office has come from members of the Federal Parliament belonging to the radical environmentalist party, the Greens. "Our position is that all new developments in technology should be shown to be acceptable before they are introduced into society" says Green member of Parliament Joachim Müller.

In the Netherlands, this idea has been incorporated into the new legislation as an emphasis on what Pieter Tindemans, of the government's Department of Science Policy, describes as "constructive technology assessment."

"We want to see if we can start from social needs and criteria and ask what technology might be developed to meet them," says Tindemans. "In our opinion, that is the way technology assessment has to go; we should not focus just on assessing technology after the event."

Not surprisingly, there is considerable overlap between the subjects being proposed for study among the different European countries; indeed, Tindemans admits that it is "difficult to find new topics."

Near the top of the list is the question of energy choices. Although in several countries (such as the Netherlands and West Germany) social conflicts around energy questions have focused on nuclear power, this has not been the only source of controversy.

The Austrian government's new support for technology assessment, for example, is said to have been partly a reaction to violent confrontations that took place last summer between environmentalist groups and the police over plans to flood a major wildlife reserve near Vienna as part of a new hydroelectric scheme.

"Ecological issues are really on the political agenda here now, just as they were in the United States at the beginning of the 1970's," says Austrian sociologist Helga Nowotny. "The government seems to feel that the time has come to institutionalize this kind of conflict."

Other topics for study tend to fall into two groups. One contains those issues, such as the environmental impact of genetically engineered microorganisms or the moral issues raised by in vitro fertilization, where almost all European governments are coming under pressure to regulate the use of a new technology. The other—for which there appears to be more support in Europe than in the United States—is made up of subjects where governments feel that they have a responsibility to cushion the social side effects of rapid technological change.

In several cases, the new initiatives have required breaking traditional political molds. "There are few precedents for this type of thing in France," admits Philippe Bassinet, chairman of the new parliamentary office in Paris which is overseen by a joint committee of National Assembly Deputies and Senators.

Inevitably, compromises have had to be made. Unlike the case of the OTA, for example, the contents of the reports of the French office remain the direct responsibility of members of the committee (which may also decide whether the report is published or not).

Compromise has also been necessary in the Netherlands, where initial proposals that the technology assessment committee should be made up entirely of individuals nominated by the government was rejected as insufficiently objective, and a new bill was written giving the Academy of Sciences a leading role.

In contrast, British Prime Minister Margaret Thatcher firmly set herself against compromise last year when she rejected a suggestion from Lloyd that the British Parliament should create an OTA. Although Thatcher used economic arguments—the need to keep down public spending—to justify her decision, Lloyd suggests that political factors were also at work.

"Mrs. Thatcher sees this as an extension of the power of the House of Commons. The government's opposition is the type of reaction you would expect from any institution which feels that its decisions are going to be assessed more closely than they now are," he says.

Indeed, the British government has recently moved provocatively in the opposite direction, rejecting demands from the socialist opposition that a public inquiry be carried out into the social and environmental implications of the different projects that were submitted as candidates for the Channel Tunnel (see page 540). Announcing this decision to the House of Commons, Transport Minister Nicholas Ridley said that the delays caused by such an inquiry would inevitably lead to the "death" of the whole idea.

Faced with such political realities, many supporters of technology assessment fear that, despite current manifestations of enthusiasm, its impact may remain marginal. "The general tendency is not to allow these institutions to become too effective," says Nowotny. "The really touchy political issues may well not be affected." Similar concerns were, however, initially raised about OTA. But, with recent studies of SDI and the future of nuclear power, OTA has certainly been in the thick of touchy political issues. ■ DAVID DICKSON

SDI STUDIES

Mr. FAZIO. I appreciate your comments in a number of areas.

I want to talk about the SDI studies as we go along.

I particularly appreciate your last comment. This committee is as equally concerned as the Board is about the mandates that come up without discussion or debate. I was a member of the Conference on the Continuing Resolution when, I am sure, this language in the appropriations section for defense was included, and was very much involved in a number of these issues. I remember no reference to it.

I was in the room with a number of the subcommittee members debating the defense section. It is troublesome to establish priorities, only to have them overridden so gratuitously. It is a problem that this committee encounters.

Cooper, is this the last time you will be before this committee on behalf of OTA?

Mr. EVANS. It probably will be for this purpose, anyway.

APPRECIATION OF MR. EVANS' SERVICE

Mr. FAZIO. I appreciate the fact you have been so active. You have attended every hearing and have been among the more influential and involved participants, particularly on your side of the aisle.

Mr. UDALL. One of the most valuable members we have had on the Board over the years.

STATEMENT OF MR. EVANS

Mr. EVANS. Thank you, Mr. Chairman.

I do appreciate the opportunity to attend. I do have a written statement which I will submit.

I would like to associate myself with the remarks of the Chairman and Mr. Brown in the things they have said. I will only take a few moments.

I am sure we do not help the committee any when we come in with an increased request for funding. Mr. Brown's comments were most appropriate. In support of that figure, however, we have to note in many of the other budgets, even though the total is being reduced, you can see the pattern that the expenditures for research and development are one of the things that seem to be well protected on the part of the Administration and the various committees. It is interesting to note that this even extends to Agriculture and their budget.

So, as you look at those increased expenditures for R&D, it looks like we are going to be more and more pressed to make more analyses.

MANDATED STUDIES

I also agree with Mr. Brown that the precedent of the Congress mandating studies for OTA—and I guess the latest example is the 1985 farm bill, which says without any flexibility, thou shalt do thus and so. We question whether that is wise public policy, but it is there. It certainly has to have an impact on our budget requests.

I would just support my colleagues in the hope that you can be as reasonable as possible in response to our request.

Thank you very much for the opportunity to testify.

[The statement of Mr. Evans follows:]

Statement of Congressman Cooper Evans, Member
Congressional Board
Office of Technology Assessment, U.S. Congress

before the

Subcommittee on Legislative
Committee on Appropriations
U.S. House of Representatives

February 24, 1986

Mr. Chairman, I appreciate this opportunity to address your Subcommittee on behalf of the Office of Technology Assessment. My background as an engineer gives me a keen awareness of the rapid advance of science and technology, and of Congress's need for accurate and unbiased assessment of these advances.

Members of Congress must, on a daily basis, confront issues of great scientific and technological complexity. Many of these issues -- including defense technologies, health care, agricultural development -- are major target areas for deficit control; and the effects of the decisions we make today -- whether it be to increase or decrease spending -- may be felt years, even decades, down the road. OTA provides the reliable source of expert, objective, state-of-the-art information and analysis that is critical to to good Congressional decision making on these issues.

Mr. Chairman, let me cite a few examples from recent OTA projects:

o Low-Resource Agriculture in Developing Countries

This assessment is identifying the major principles and concepts that underlie wise management and use of natural, human, and institutional resources. OTA's goal is to determine what has worked for poor African farmers and herders, how it has worked, and what might work. My own trip to

Africa enabled me to view and appreciate the problems of farmers in developing countries first hand, and I am convinced of the necessity for evaluating new models of agricultural research and extension and new models of development assistance, as OTA is doing in this report. Preliminary results suggest that OTA's findings may have important implications for American farmers and ranchers as well as for agriculturalists in developing countries.

- Technology, Public Policy, and the Changing Structure of American Agriculture

Unprecedented demands for changes in current farm programs resulted in passage of the 1985 Farm Bill at the end of the last session. OTA's assessment was of critical importance to the Congress in understanding how technology is changing agriculture and in providing us with options for restructuring farm programs to anticipate and cope with those changes. Many provisions of the bill, as passed, are directly attributable to OTA's work.

- High Technology Structural Ceramics and Polymer Composites

Development and use of advanced materials such as high performance ceramics and polymer composites promise dramatic changes in many aspects of our economy. This nation's ability to maintain long term economic growth and remain competitive will depend to a large extent on how well we take advantage of the opportunities presented by these materials; but to do so will require that many technical problems and non-technical barriers be overcome. This assessment is defining the opportunities presented by these materials and determining the principal technical and related problems that need to be overcome if timely expansion of the commercial use of these materials is to take place.

o Ballistic Missile Defense Technologies and Anti-Satellite Weapons

Given the current state of the nation's budget, no issue before Congress is more controversial than the Strategic Defense Initiative. Last fall OTA presented the Congress with two excellent documents detailing the highly complex and technical nature of the proposed defense system -- documents that provide data that is both technically reliable and politically objective. Congress evinced great confidence and enthusiasm for OTA's work by mandating, at the end of the last session, that OTA continue to probe this issue. I believe that the forthcoming work products will be invaluable to Congress as we continue to debate this topic.

Mr. Chairman, these assessments are typical of the complex and highly-charged issues that OTA is analyzing. I sincerely hope that your Subcommittee will look favorably on OTA's FY 1987 budget request of $17,700,000. I can assure you that the Technology Assessment Board will carefully review requests for new assessments and analyses and ensure that the projects undertaken will be of the highest possible value to Congress.

NEED FOR GRAIN QUALITY STUDY

Mr. **Fazio**. Thank you.

I have not had a chance to talk to my colleagues, but we should not establish a precedent of not mandating anything which affects us. We will interpret it that way.

Let the record determine whether or not they like the proposal, whether or not they want to implement it, and we can work that out as we determine the budget.

Mr. Evans.

Mr. **Evans**. If I may respond to that, your point is an excellent one. In defense, however, of the need for that particular study, I would say the future of agriculture in this country over the next few years depends in large measure on the success of export agricultural commodities, and that one of the major factors determining how competitive we are going to be, and how well we do in retaining and regaining some of those markets, is going to depend on what we do about grain quality standards and assuring a high-quality product.

So, I hope that any restraints that you put on will be generic in nature and would allow some discretion of the Board to follow the suggestion, if you will, of the Congress.

MAINTAINING BOARD CONTROL OF OTA'S WORK

Mr. **Fazio**. We should insulate the Board so they can make choices among the items presented. It would be necessary for the Board to be aware that many of the ideas from other jurisdictions not mandated by law are equally as valuable as those that come to you out of the rigors of a needed compromise at the end of a session.

We do not want to replace you in making those judgments; neither do we want to automatically ratify those imposed on you. We would like you to have the ability to make those calls, as the authorizing legislation provides.

BUDGET PRESSURES ON THE LEGISLATIVE BRANCH

We are under tremendous pressure in this budget. When we bring it to the Floor, there will be, as always, a real battle to get approval. The Gramm-Rudman impacts the Legislative Branch as it has other areas of the Federal Government. There is additional pressure to do more in all agencies of the Legislative Branch.

We don't generate the necessary support to pass a bill, unless we get up front beating our chests about what the Legislative Branch is willing to reduce. We are in a tight spot. We have more responsibilities; perhaps less resources.

At this point, if Mr. Lewis or any member has a comment, I would welcome their remarks.

QUESTIONS AND COMMENTS OF MR. LEWIS

Mr. **Lewis**. Thank you, Mr. Chairman.

First of all, I welcome your testimony.

Mo, I am appreciative of the work that you do, all of you, on that Board.

I would like to echo my Chairman's remarks regarding Cooper Evans and his willingness to volunteer his time. There are people around here who praise your efforts, Cooper; they suggest all kinds of other jobs that need your attention.

My congratulations so far. You may find yourself busy for a long time.

I am responsive to the idea that we ought to give some flexibility and discretion to the Board relative to just how quickly you automatically respond to X and Y request. A committee, including your Agriculture Committee, might very well ask for a certain kind of agriculture study; your past experience might allow you to know of 10 other sources that are better prepared to handle this request.

DISCRETIONARY TREATMENT OF MANDATES

Your ability to measure how much time and energy should be applied seems logical, helpful, and obvious, to me. Do you presently have authority to turn down such a request? What is your discretionary authority?

Mr. Udall. We have had a serious dilemma, and I think what we have done is to treat the mandated studies, mandated by the committees and enacted into law, as essentially authorizations. If we do not have the money, if we have already committed the bucks, there is no way we can uncommit or terminate a study that is in progress simply because the Congress, without checking with us, has directed that something be done.

Most of the time, I think, with few exceptions, we have been able to find the money to do what the congressional committees and the conference committees and the President have done when they passed the law.

Mr. Lewis. Mr. Chairman, This may be a growing problem in terms of increasing the pressure upon the work of your Board, as well as the Office of Technology Assessment. We expect a whole series of conversations with agencies that come before the Legislative Branch that follow the line the Chairman has appropriately raised.

When it is done in this fashion, it will affect our areas of responsibilities even more so than perhaps the rest of the government, because we will be expected to be the example of budget reductions in leadership fashion.

I appreciate your testimony. I appreciate your being here.

APPROPRIATIONS LANGUAGE REGARDING MANDATES

Mr. Fazio. In continuance of the discussion, Ed just pointed out that we included language which said that no part of this appropriation shall be available for assessments or activities not initiated and approved in accordance with Public Law 92-484, except funds shall be available for the assessment required by Public Law 96-151. We do not, in effect, allow for this kind of mandate to be used.

POTENTIAL EFFECTS OF THE SDI MANDATE

In the case of the SDI study which we will discuss in a minute, the funds were provided to you from the Defense Department's budget to theoretically conduct the study. Whether that is an adequate amount of money or whether that has the effect of a boom and bust cycle in terms of your personnel, it certainly is not the right way to go. It is not in keeping with the spirit of our language, nor the intent. The availability of additional money does not necessarily solve the problem.

Mrs. Boggs, do you have any comments?

QUESTIONS AND COMENTS OF MRS. BOGGS

Mrs. Boggs. I wanted to thank the members of the board for coming to share personally with us their observations and plans.

One of the most telling examples of the kind of service that they have rendered through the OTA is in Mr. Brown's written comments where a member of the British Parliament indicated that if Britain had had an Office of Technology Assessment in the 1970s, when Britain chose to build its own early warning aircraft rather than opting for an off-the-shelf American model, they may have been able to save the British taxpayers several hundred million pounds.

SERVICE TO THE TAXPAYER

I think that is what this Board and the Office of Technology Assessment has done for the American taxpayer.

Mr. Fazio. Thank you, Mrs. Boggs.

It might be helpful for us to ask a question at this point which we have asked all agencies in these hearings. That is, $658,000 was sequestered from your budget as of March 1st. I am wondering, Jack, how will you to allocate those reductions? What magic are you going to pull out of your hat?

ALLOCATION OF GRAMM-RUDMAN REDUCTION

Mr. Gibbons. Mr. Chairman, thank you.

We were already in a budget level for 1986 that was below our 1985 level, and had already identified a number of areas where we would make these trims. So, the Gramm-Rudman-Hollings simply gave us the occasion to use up all of our options and invent a few more.

Mr. Fazio. You didn't have to make choices at all?

Mr. Gibbons. We did cut back in our support infrastructure. We cut way back on our information and data processing updating, which I regret. One can do that only for a while. We have disbanded our last standing advisory committee to one of our programs; that is, the Health Program Advisory Committee, which had been in existence since the early days of OTA.

We cut back on temporary employees, which is the lifeblood of the place. It gives us an ability to move our specific expertise from year to year as our programs move.

We have cut back on our external contracting. We are doing more of that work in-house with the key staffers that help us maintain institutional memory. That has its dangers, too, of course, and I would like to speak to that later on, if I might.

CHANGES IN ASSESSMENT ACTIVITIES

We have combined these actions with a number of deferrals on existing requests for work, in effect, delaying delivery and attempts to respond to requests for help with products less resource consuming than full assessments. We have managed to do this in a few cases. We have also cut back on some of the activities in some of our ongoing work; not so much as to change the basic scope of the work, but to trim some things that are important, but more in the form of insurance than absolutely fundamental to the completion of the work.

For instance, one fewer meeting; two, instead of three, of an advisory panel. This sort of thing. We have applied those judiciously through about eight of our ongoing projects. As a combination, we have come up with the reduction as required.

Mr. FAZIO. So, you will be able to achieve the $658,000 reduction?

Mr. GIBBONS. We will make the $658,000. We are going to do it while being able to preserve our complement of so-called permanent employees, but at a loss of some of the very precious temporary employment method we have, and at a considerable loss of our contracting capability.

Mr. FAZIO. The temporary employee issue has often been the subject of discussion in this committee. We need to talk about it.

Before we get to that, could you indicate to us whether you will be doing fewer projects or stretching out the number you planned to do? Which are those that will be affected, if you could delineate? Are they all going to be affected; and in what way?

CHANGES IN THE NUMBER AND SIZE OF ASSESSMENTS

Mr. GIBBONS. We have a small shop. Therefore, we can look rather critically and carefully at everything we are doing. Nothing escapes the pressures of budget and our attempts to increase productivity.

This has been our method for some years now. We find that you just have to keep an eye on everything. That is the way you can make small numbers add up to very significant gains in productivity.

We, obviously, have had to defer on some projects. There is at least one request which has been outstanding for a number of months that I now realize we simply will not be able to respond to in this fiscal year. We have other projects that have been on our books—one of them for more than 6 months. One request is a study on copper that we are, I believe, finally going to be able to go ahead or in the latter part of the spring. That is a delay of probably about nine months.

Mr. FAZIO. Tell us about the others. You can put it in the record.

Mr. GIBBONS. I think that would be better. There are things I need to think about in that regard.

[The question and response follows:]

DELAY OF PROJECTS

Question. Please provide, for the record, a list of projects that have been delayed or altered in size or scope due to budget restrictions.

Response. Please see below.

REQUESTED PROJECTS DELAYED OR ALTERED DUE TO BUDGET RESTRICTIONS

Date received: 10/11/84.

Committee: Senate Foreign Relations.

Request: Nuclear winter—This assessment has been indefinitely postponed due to decreased committee interest.

Date received: 12/05/84.

Committee: House Science and Technology.

Request: Nuclear winter—This assessment has been indefinitely postponed due to decreased committee interest.

Date received: 5/17/85.

Committee: Joint Printing.

Request: Printing, Publishing, and Information Dissemination Technologies—After a year's delay, due to both funding and staff limitations, this project will probably go to TAB in May 1986. The size of the study is anticipated to be smaller than originally intended.

Date received: 7/11/85.

Committee: Members Udall, Fuqua, and others.

Request: Alcohol Fuels in Future Energy, Environmental, and Agriculture Needs—This was a follow-up request from the alcohol fuels staff paper. If committee interest remains strong, the project could be initiated in FY 1987 as a "less than full assessment" type of response.

Date received: 7/31/85.

Committee: Subcommittee on Intergovernmental Relations and Human Resources, House Committee on Government Operations; Senate Committee on Veterans' Affairs.

Request: Infertility Treatment Technologies—This assessment has been approved by TAB, but work has been postponed until Spring 1986 due to staff and budget limitations.

Date received: 7/31/85.

Committee: House Energy and Commerce.

Request: Energy Future—This project has been delayed and will likely be reduced in size. Broader support is being sought within the Congress, e.g., from the Subcommittee on Legislation and National Security which has expressed verbal interest. This request will be satisfied with background papers, but work will not begin until FY 1987.

Date received: 9/11/85.

Committee: Udall, Hatch, and the Copper Caucus.

Request: Copper—A scaled down version of the originally envisioned study will be proposed to TAB in March 1986. Some of the activities originally planned for FY 1986 will, instead, to performed in FY 1987.

Date received: 11/1/85.

Committee: House Energy and Commerce, Subcommittee on Energy Conservation and Power.

Request: Electricity Transmission—This study will be delayed until interest is expressed by the full committee and other committees that have expressed interest verbally. Staff and resource availability will preclude work in this area until FY 1987.

Date received: 11/14/85.

Committee: House Science and Technology.

Request: Magnetic Fusion—A 12-month, "austere" assessment proposal will be presented to TAB in March 1986.

Date received: 11/15/85.

Committee: House Merchant Marine and Fisheries.

Request: Offshore Leasing Policy—This request has been turned into a Director-approved special response somewhat smaller than originally intended.

Date received: 11/20/85.

Committee: House Armed Services.

Request: Quality of Soviet Defense Technologies—This project has been delayed and possibly will be reduced in size. Most likely, a workshop will be held in early FY 1987, and if the workshop report stimulates further committee interest, work on a full-scale project (originally planned for Spring 1986) could begin in January 1987.

Date received: 11/21/85.
Committee: Senator Stennis.
Request: Launch Site for Rockets Carrying Satellites—A brief staff paper responding to this request will be completed in May, a delay of 2 months created by staff and budget limitations. It may lead to a full scale assessment of space transportation, beginning in January 1987, although interest is very strong presently due to the space shuttle disaster.
Date received: 1/1/86.
Committee: Mandated Study.
Request: Grain standards—Due to budget restrictions, this project must be significantly smaller than that envisioned in the legislation requiring it.
Date received: 1/9/86.
Committee: House Government Operations; Senate Armed Services.
Request: Polygraph—The planned level of response is significantly reduced from the original request for this project.
Date received: 1/27/86.
Committee: Senate Energy and Natural Resources.
Request: Magnetic Fusion—A 12-month, "austere" assessment proposal will be presented to TAB in March 1986.
Date received: 2/18/86.
Committee: House Merchant Marine and Fisheries; Science and Technology.
Request: Exploration of the EEZ—This project has not been delayed but has been significantly reduced in size due to budget restrictions.

STATEMENT OF MR. GIBBONS

Mr. Fazio. I understand the situation. I don't need to be the first to know.

Mr. Gibbons. Mr. Chairman, sometimes we are requested to do something, and we are able to horse trade a response that will pretty much satisfy the committee's immediate needs, though not their long-term needs, but will relieve the pressure on us for some time. One, for example, we are just in the process of negotiating with one of the House committees, I would rather furnish it for the record.

Mr. Fazio. If you could let Ed know and furnish the detail for the record, we would appreciate it.

Mr. Gibbons. I appreciate your consideration there. Those projects where we have made some incursions into the work plan that existed before these cuts include our work on NATO defense, work on technology transfer and trade with the People's Republic of China, our work on life-sustaining technologies, new developments in biotechnology, our work on biological diversity, our analysis of new communications technologies and our study on interdiction of drug traffic.

So all of these have had careful reexaminations and we have peeled away at places where we believe we will experience minimal harm. This year, we obviously will have fewer new starts. We will be completing our backlog of previously approved work so our output this year will be quite high. The results of a budget trim appear in the succeeding years, because our work typically takes one to two years to complete. One does not see the immediate reduction of output when one cuts down on the rate of new starts of assessments.

[The statement of Mr. Gibbons follows:]

Statement of John H. Gibbons, Director
Office of Technology Assessment
U.S. Congress

before the

Subcommittee on Legislative
Committee on Appropriations
U.S. House of Representatives

February 24, 1986

Overview

Over the next several years, the attention of the Congress will be focused on the problems of cutting the deficit and the many consequences of those decisions. OTA currently devotes a considerable part of its resources and expertise to assisting Congress in science and technology issues that directly or indirectly impact the federal budget. This includes major cost issues such as health care, toxic wastes, pollution control, and defense technologies.

Such issues, because of their complexity and uncertainty, do not lend themselves to "back-of-the-envelope" analysis ... especially during a budget-cutting drive. Some deficit cutting proposals that seem to merit support may, in fact, be very counterproductive in the long run. Similarly, some small expenditures may be inadvertently cut, even though they are expected to have large future benefits. For example, consider the cost of research to discover a perennial variety of corn. Such a discovery was recently made in a place where it could have become extinct in a few more years. The cost of this kind of search and discovery was small, but the implications for the future of grain is enormous. Conversely, large expenditures may not be trimmed because it is too difficult to do the technical analysis that show how they may be selectively cut with minimum damage.

OTA's Role

In this context, the resources provided to OTA are Congress's safeguard that the longer term prospects for U.S. society are not neglected amid the difficult legislative budget choices of the next few years. It is OTA's role to do analyses for Congress to assure that it is fully informed about the impacts of budget choices and science and technology policies that form the basis for this nation's future productivity and well-being. It is important for OTA not to be overly diverted from its mission of keeping a careful eye on emerging U.S. science and technology as it affects (and is affected by) federal policies. This "foresight" mission of OTA includes consideration of the consequences for the future of decisions being made today. (As Drucker points out, this is the essence of long range planning.)

As a nonpartisan, analytical support agency, OTA serves both houses of Congress by providing objective analyses of major public policy issues related to scientific and technological change. The focal points of OTA's work are: (1) technology in its various stages, from innovation, research, and development, to application and use; (2) basic as well as applied science; (3) the impacts -- for better or worse; (4) the policy issues associated with science and technology; and (5) the associated options available to Congress. In response to Committee interests, much more of our time is spent on the future implications of present technological capabilities than on projections of possible future scientific discoveries and technological trends.

OTA continually adapts its work to be responsive to the needs of our clients -- Congressional Committees -- and to complement the capabilities of our sister agencies (CBO, CRS, GAO). We also pay a great deal of attention to supplying the requested information in a manner timed, packaged, and delivered to be most helpful to Congress. Specifically, OTA works with requesting Committee staffs throughout a project to assure that the analysis remains responsive to need, and that information is available to the Committees, even its preliminary form. "Delivery" of an assessment to Congress can begin early in the course of the analysis (e.g., through testimony and briefings) and frequently continues long after publication of the final report.

In order to match different information needs of various Members and staffers, OTA prepares information in a hierarchy of detail. Our detailed assessment Reports are of greatest use to Committee staff working directly in the subject area, and they provide the all-important full documentation of findings given in the Summaries. These 20-40 page Summaries and the one-page Report Briefs are designed for Members and their staff not working directly on the issue but who wish to be informed on the subject. At a given time, the specific needs of Committees are usually more focused in scope than our assessments. For that reason, OTA prepares Technical Memoranda, Background Papers, staff papers, testimony, and briefings as required, drawing the information from ongoing or completed assessments. In this way, OTA extends the capabilities of Committee staff: by preparing these documents of narrower scope, holding workshops, or assisting in the preparation for hearings, OTA expands the knowledge available to Congress for specific purposes within a limited time frame.

By statute, OTA also makes its analyses available to the interested public. This includes individuals and organizations who assist OTA in its work (e.g., State and local governments, the National Academies of Sciences and Engineering, corporations, public interest groups, associations, Executive agencies, and universities.)

The number of people and organizations helping OTA in its work is large (close to 2000 per year), and they come from within and outside of government. We build upon the work of our sister Congressional agencies, the Executive branch agencies, and private sector organizations in a variety of ways, including representation on our advisory panels and workshops and service as detailees, contractors, and reviewers. This mode of operation makes it easier for OTA to go beyond published information and take advantage of knowledge that is still unpublished; and it also makes it virtually certain that OTA will complement rather than duplicate prior or ongoing work by another agency.

Effectiveness

Many things contribute to Congressional decisions, making it especially difficult to gauge quantitatively the impact of OTA's work. We can point to the use of an OTA analysis in debate or in the writing of a bill or even in the actions of an Executive branch agency, but are usually not in a position to measure precisely its effect on a policy or appropriations decision in Congress or on decisions made by others (e.g., Executive agencies, state and local governments). In OTA's Review of Postal Automation Strategy: A Technical and Decision Analysis, Impacts of Technology on U.S. Cropland and Rangeland Productivity, and A Review of the Public Health Service's Response to AIDS, the impacts of OTA's work are readily and directly traceable to substantial savings and/or cost-effective improvements in services.

In other studies, OTA's contributions provide Congress with alternative options to deal with science and technology issues. Thus, instead of being informed of only the option desired by the Administration, Congress is provided with a range of options that reflect, for example, different spending rates. Examples include Civilian Space Stations and the U.S. Future in Space and Ballistic Missile Defense Technologies. Finally, OTA also works on emerging "foresight" issues, including Protecting the Nation's Groundwater from Contamination, Impacts of Applied Genetics, and long term prospects for U.S. energy production.

I would like to briefly review a few of the legislative uses of OTA's work completed in FY 1985 and to date, and I urge you to review OTA's current Justification of Estimates for Fiscal Year 1987 (pp. 31-33; 47-49; and 63-66) for a more complete summary.

Relation of Current and Recently Completed Work to Legislative Activities

1. The Strategic Defense Initiative will cost billions of dollars to research, and many billions more if implemented. OTA's two published Reports on this issue, Ballistic Missile Defense Technologies and Anti-Satellite Weapons, Countermeasures, and Arms Control, are helping Congress with the complex decisions it will have to make regarding the nature and timing of research on these technologies. Congress's confidence in OTA's ability to provide unbiased, expert analysis of SDI and its associated technologies, and to manage highly classified information, was displayed in the recent mandate for OTA to continue this work with funds provided from Defense Department appropriations.

2. An OTA technical memorandum, Africa Tomorrow: Issues in Technology, Agriculture, and U.S. Foreign Aid, was used by the Subcommittee on Natural Resources, Agriculture Research, and Environment, House Committee on Science and Technology, for hearings on African food

production. The requesters of the study, the House Select Committee on Hunger, cited both the relevance and the timeliness of the study, as it was released just as the Committee considered legislation to assist recovery and rehabilitation in the famine and drought stricken nations of Africa.

3. Testimony, briefings, and the OTA Report, Technology, Public Policy, and the Changing Structure of American Agriculture: A Special Report for the 1985 Farm Bill, were used by the Senate Committee on Agriculture, Nutrition, and Forestry and the House Committee on Agriculture to develop agricultural policy in the 1985 Farm Bill. The Chairman of the House Committee on Agriculture commended this Report as an important contribution to the assessment of possible changes under consideration in the 1985 Farm Bill. Several provisions of the public law, as passed, are directly attributable to OTA's work.

4. OTA's two major assessments on hazardous waste (Technologies and Management Strategies for Hazardous Waste Control and Superfund Strategy) have had considerable effect on Congressional activities. OTA has testified at numerous Senate and House hearings. All three major substantive themes of the 1984 RCRA amendments (i.e., expansion of the regulated universe, limits on land disposal and use of alternatives, and promotion of source reduction) were supported by OTA's work. More recently, the Congress' work toward reauthorization of Superfund includes proposals that are directly related to findings and options in the OTA Reports; these include use of a waste-end tax, establishment of a technology demonstration program, increased R&D

support, technical assistance grants to communities, and fostering alternatives to land disposal. OTA has also analyzed actions at specific Superfund sites; these analyses have had considerable impact on EPA's implementation of Superfund. OTA's work in this area, therefore, has contributed substantially to national policy aimed at increasing environmental protection while avoiding excessive costs to the private sector.

5. As one part of the current study Wastes in the Marine Environment: Their Management and Disposal, OTA is examining the role of ocean incineration in waste management. Through testimony before a Subcommittee of the House Science and Technology Committee, OTA provided an overview of the central policy and technical issues surrounding this controversial activity. In particular, OTA analyzed the need for ocean incineration, the key areas of public concern regarding its regulation and safety, and its relationship to land-based alternatives for managing hazardous wastes. OTA's effort will play a role in consideration of whether to approve proposed legislation that calls for a moratorium on ocean incineration pending completion of further research.

6. Managing the Nation's High-Level Radioactive Waste. The Subcommittee on Energy Conservation and Power of the House Committee on Energy and Commerce used this assessment to identify options to be evaluated by the Department of Energy in its forthcoming analysis of the need for a monitored, retrievable storage facility for high-level radioactive waste. In his request that OTA review DOE's study of alternative means

of financing and managing the civilian radioactive waste program, the Chairman of the Subcommittee on Energy, Nuclear Proliferation, and Government Processes, Senate Committee on Governmental Affairs, cited OTA's work as a valuable source of objective analysis for the Congress. OTA's work assisted the Committee in its deliberations on the Nuclear Waste Policy Act and in the development of amendments to that Act.

7. The House Committee on Education and Labor used OTA's analysis of some of the implications of early notification of plant closings or of mass layoffs, derived from the ongoing assessment of Technology and Structural Unemployment: Reemploying Displaced Adults, in deliberations on a bill that would require advance notice of plant closings.

8. Strategic Materials: Technologies to Reduce U.S. Import Vulnerability has been used by the House Committee on Science and Technology in their consideration of a national materials R&D policy and in their hearings on the implementation of the National Critical Materials Act of 1984. The Committee has been interested in alternatives to dependence on South Africa for supplies of critical materials, and has been especially interested in OTA's findings on the role of information and data analysis capability as it relates to strategic materials. The Report has also been used as background to inform Congressional concern over stockpile proposals. The Chairman of the Senate Committee on Commerce, Science, and Transportation praised the Report as a valuable insight into ways to reduce the nation's dependence on strategic

materials, saying that the Report would be useful to the Committee as it considered the research budgets of the National Aeronautics and Space Administration and the National Bureau of Standards, both of which conduct materials research.

9. Testimony based on OTA's Technical Memorandum, Energy Technology Transfer to China, helped the House Committee on Energy and Commerce review the Agreement (submitted by the President) between the U.S. and China on transfer of nuclear power technologies.

10. The recently completed OTA Report, Technology and Aging in America, has already been used in several ways.

    o It was instrumental in the development of hearings conducted last Spring by the Senate Special Committee on Aging that reviewed the relationship of technology to better health for older citizens, especially women.

    o The findings of the Report were also the basis of a request from the House Select Committee on Aging for information on the possible differential impacts of environmental pollution on the elderly. That information was used to develop a directive to the Environmental Protection Agency to carry out a more detailed study of the issue.

    o OTA also provided information on nutrition and the elderly to the House Committee on Agriculture for the Committee's review of the food stamp and elderly congregate meals programs.

11. An OTA paper prepared by staff working on the assessments of Life-Sustaining Technologies and Dementia examined the dilemma facing America's terminally ill elderly. The paper was included in a forthcoming report, "Dying with Dignity: Difficult Times, Difficult Choices," of the House Select Committee on Aging. According to the Chairman, the OTA document played a major role in ensuring the success of the Committee's hearings. The studies tackle the sensitive and complex issue of the notion of whether to constrain the use of Medicare and Medicaid funds to extend the lives of terminally ill patients beyond some point.

12. OTA's Technical Memorandum, Review of the Public Health Service's Response to AIDS, was used as the basis of hearings and continuing oversight of the activities of the Public Health Service in regard to AIDS by the House Committee on Energy and Commerce and the House Committee on Government Operations. Both Committees cited the report as an "invaluable resource document."

13. OTA's evaluation of the scientific value of a study of Vietnam era identical twins (to assess the impacts of the war on veterans) was instrumental in the decision not to proceed with that study, which would have cost about $8 million. This work was an adjunct of OTA's ongoing review of the conduct of the Agent Orange studies undertaken by the Centers for Disease Control. OTA has taken a strong stand on the need to develop a scientifically meaningful index of exposure to Agent Orange before the study progresses, and the work done by OTA has been

cited as very valuable to the Committees on Veterans' Affairs as they oversee the course of these studies.

14. Testimony accompanying the release of OTA's Report, Electronic Surveillance and Civil Liberties, helped the Subcommittee on Courts, Civil Liberties, and the Administration of Justice, House Committee on the Judiciary, and the Senate Committee on the Judiciary in consideration of the Electronic Surveillance Act of 1985. The ongoing study from which this Report was derived, Federal Government Information Technology, helped the House Committee on Government Operations in its hearings to consider H.R. 2889, the Computer Security Research and Training Act of 1985, and, in particular, to evaluate National Security and Decision Directive 145 that assigns certain responsibility for the security of civilian government information systems to the National Security Agency.

15. Civilian Space Stations and the U.S. Future in Space was a timely resource for Committees considering NASA's authorization and funding for the proposed space station. For example, the Subcommittee on Space Science and Applications of the House Committee on Science and Technology asked OTA to testify on the possible options in design and capability of the space station. The study laid out the implications of alternative budget cuts or stretch-outs on the deployment of a station. The Report was also used by Members of both the House and Senate to support their request that the President establish a National Commission on Space. The Report included analysis of a range of possible commitments in adition to the one proposed by the Administration.

Current Work

The most controversial and complex issues facing Congress are often the subjects of OTA's work. At present, our work includes studies of:

1. Reduction of Industrial Hazardous Waste -- The generation of hazardous waste by industry poses a range of environmental risks and increasingly high costs. Only within the past decade has it become clear that the land disposal of hazardous wastes is fraught with risks, particularly to groundwater. This assessment will examine and review the technical options to substantially reduce the amount and hazardous nature of industrial hazardous wastes, only some of which may be currently regulated under the Resource Conservation and Recovery Act and state programs. There are very large environmental and economic implications of innovations that reduce the amount of waste produced for a given output of product.

2. Alternatives for Improving NATO's Defense Response -- Recent initiatives to improve NATO's defenses have focused on "follow-on forces attack" (FOFA), a tactical interdiction mission that aims to defeat an invasion by attacking enemy forces while they are moving toward the battle area. U.S. programs to develop a capability for deep interdiction may be able to substantially increase NATO's non-nuclear defense capabilities. This OTA assessment is developing a comprehensive appraisal of the military and technical risks and opportunities of applying various alternative technologies to the "deep interdiction" capability in NATO, with particular attention to possible implications for Alliance cohesion and cooperation.

3. Low-Resource Agriculture in Developing Countries -- In Africa, as in many developing countries, subsistence farmers hold the key to increasing food production. The continuing need for massive food aid to these countries demonstrates the failure of many past agricultural, development assistance, and resource protection policies. Most people in developing countries are subsistence farmers who cannot obtain or afford the expensive fertilizers and pesticides upon which the high-yield technologies are based. This assessment will: 1) determine which new technologies can increase African food production in socio-economically and environmentally sustainable ways; 2) identify the U.S. role in technology development and transfer; 3) assess actual and potential benefits to the U.S. from participation in international agricultural research on low-resource methods; and 4) evaluate certain aspects of the Sahel Development Program as a case study in U.S. public and private assistance to Africa.

4. Life-Sustaining Technologies and the Elderly -- Recent technological advances in the treatment of chronic disease and acute illness, combined with greater access to such care, make it possible to keep persons alive who might never have survived in the past. One result is that more older persons than ever before are surviving to the oldest ages (75 and over). These advances are accompanied by complex legal, ethical, and financial issues concerning the definition of death, appropriate use of life-sustaining technologies, quality of life, patients' rights, surrogate decision-making, and the allocation of federal resources. Data indicate that of all Medicare reimbursements

(approximately $70 billion in 1986) up to 30 percent are made for care of older Americans in their last year of life; half of all nursing home costs are paid by federal Medicaid dollars. This assessment is examining these technological advances and their implications for the elderly.

5. New Communications Technology: Implications for Privacy and Security -- The federal government, the largest single user of information technology equipment, is confronted with new generations of products bring much greater capability to managers and users for accessing, manipulating, and transmitting information. The study examines new and prospective capabilities of communications technology, assesses their impact on privacy and security, and analyzes how the combination of technical, administrative, and legal safeguards can cope with privacy, vulnerability, and security implications.

6. Technologies to Control Illegal Drug Traffic -- Control of illegal drugs entering the United States from foreign countries is an important part of federal drug law enforcement efforts. The detection and seizure of drugs at U.S. borders depends on a number of advanced technologies, including radar and other sensing devices, and specialized ships and aircraft. This assessment is evaluating current and proposed technologies for drug interdiction, their cost-effectiveness, and their most appropriate use in controlling illegal drug traffic.

7. Hazardous Materials Transportation -- The safe transportation of the 4 billion tons of hazardous commodities and radioactive and chemical wastes shipped annually in the U.S. is a concern at all levels of government. This assessment is directed toward these fundamental issues: 1) the data and information systems for tracing commodity and waste transport and accident reporting; 2) the adequacy of the containers used in hazardous materials transportation; and 3) training needs for emergency response and enforcement personnel. It will examine the roles of Federal, state, and local governments in these areas. The assessment will suggest alternatives for improved management of hazardous materials transportation and will develop a range of policy options.

Future Work

OTA is often asked what assessments it is planning to undertake. Our agenda is determined by the expressed needs of Congressional Committees, so we obviously hesitate to make such a prediction. However, OTA has prepared an illustrative list of subjects that are representative of the kinds of new assessments that we may be asked to undertake. (See Attachment 1) This list is drawn from a much longer group of subjects that has come to OTA's attention via its own work as well as from interactions with Members and staff of Congress, and from peers throughout and outside government. The studies are briefly described on pages 35-38; 51-54; and 68-71 of OTA's Justification of Estimates.

Summary of Request

OTA anticipates increasing Congressional requests for its assistance in FY 1987. Much of OTA's work is directed toward those areas and issues most important to Congress in making decisions concerning long term deficit reductions. Requests for new assessments and follow-on analyses will increase, but we also expect the effects of the information needs of critical concern to Congress and the budgetary pressures of the Balanced Budget and Emergency Deficit Control Act of 1985 to result in increased emphasis on testimony, briefings, Technical Memoranda, and other short-turnaround, special analyses for Committees. Still, we believe that OTA should continue to invest a significant portion of its efforts to longer term issues and opportunities that arise from developments in science and technology.

OTA has requested $17,700,000 for FY 1987. This level of support would permit OTA to regain its ability to respond to the increasing demand for assistance. Through careful cultivation over several years, OTA has developed a core staff whose expertise and background cover an extraordinarily broad spectrum of science and technology. Because of this unique capability, OTA is able to respond in a variety of ways to most Committee requests on technical issues. In turn, Committees have come to rely heavily on OTA's expert assistance. The reductions that OTA is making this year (FY 1986) will not require a reduction of permanent staff, but contracting and temporary staffing, from which OTA derives much of its needed supplemental expertise, will have to be reduced.

The scope of current assessments is being reduced, the starts of some new Board-approved assessments are being delayed, and the number of new starts reduced. At its present operating level, OTA is very close to the minimum point where it can maintain essential technical strength in each of the nine

Program areas. I remind the Committee that essentially all of OTA's activity is formally sought in advance by at least one Congressional Committee. OTA does not self-initiate work. If the resources requested are provided, OTA would again be able to tap special outside sources of expertise to complement in-house expertise and assure responsiveness and excellence of OTA's products.

Reimbursable SDI Study

In Fiscal Year 1986 and Fiscal Year 1987 (with Technology Assessment Board approval) OTA will conduct a study on SDI, as provided in Section 101(b) of Public Law 99-190:

> "For expenses of activities and agencies of the Department of Defense ... $6,637,386,000 of which $700,000 shall be available only for the purposes of carrying out, through the Office of Technology Assessment, a comprehensive classified study to be submitted to the Appropriations Committees of the House of Representatives and the Senate, together with an unclassified version, no later than August 30, 1987, to determine the technological feasibility and implications, and the ability to survive and function despite a preemptive attack by an aggressor possessing comparable technology, of the Strategic Defense Initiative Program ...."

The study shall include an analysis of the feasibility of meeting SDI computer software requirements. (Conference Report No. 99-450, accompanying H.J.Res. 465)

OTA did not anticipate this assignment but will be able to accommodate it by diversion of key personnel from other projects.

Thank you for consideration of this request.

Attachment 1

Candidate Areas for Assessment in Fiscal Years 1986 and 1987

The 47 topics given in this list have been identified by Congressional Committees, OTA, and its advisors as typical technical issues that the Congress will face over the next several years. Of course, the list does not necessarily contain the assessments OTA will actually undertake in Fiscal Years '86 and '87. Past experience shows that a substantial fraction of OTA's new projects are not predictable even a year in advance.

Note: This list is not given in order of priority.

Energy and Materials

- Copper Mining and Production Technologies
- Wheeling of Electric Power: Constraints and Opportunities
- Outlook for Energy and Technology Development
- Technologies for Decommissioning Nuclear Power Plants
- Water and Wastewater Systems
- Impact of New Electronic and Optical Materials

Industry, Technology, and Employment

- Technologies to Improving Productivity in Manufacturing
- Potential for a Competitive U.S. Pollution Control Industry
- Skills Needed in the 21st Century Workforce
- Job Opportunities Likely to Exist for Less Skilled Workers
- Impacts of Military Spending on Commercial Technologies

International Security and Commerce

- Effectiveness of Seismic Technology for Arms Control Verification
- Future of Space Transportation
- Technologies for Military Costs Reduction
- Technology Transfer on the Pacific Rim
- Transfers of Dual Use Technologies
- Technologies to Combat Terrorism

Biological Applications

- Biology of Space Flight
- Alcohol and Substance Abuse
- Pain and Pain Relief
- Technologies for the Treatment of Burns: Cultivation of New Skin

Food and Renewable Resources

- Agricultural Technology Transfer within the United States
- Renewable Resource Evaluation Technologies
- Reclamation of Degraded Lands for Agricultural Use
- Technologies for Intensive Food Production on Small U.S. Farms

Health

- Home Testing: The Patient as Doctor
- Tests for Predicting Human Responses to Chemical and Physical Agents
- Technologies for Disease Prevention Among Elderly People
- Health Care Capital and Medical Technology

Communication and Information Technologies

- U.S. Telecommunication Infrastructure
- Knowledge-Based Systems and Complex Information Processing
- Human-Computer Interactions: Implications for the Programs of the Federal Government
- International Telecommunications

Oceans and Environment

- Non-Point Source Pollution and the Health of the Nation's Fresh Waters
- Technologies to Provide Potable Water to the Nation
- Responding to Natural Disasters
- Household Toxics
- Environmental Protection from Federal Facilities

Science, Education, and Transportation

- Technologies and Literacy
- The Changing Role of the University as the Provider of Research
- Protecting the Nation's Investment in Transportation
- Peer Review for Scientific Funding

LARGER BUDGET WOULD PERMIT AN INCREASE IN ACTIVITIES

Mr. FAZIO. You have asked for enough funds to sustain work on 24 assessments. You go into the year with 24 assessments in progress and plan to start 18 more. Your completion this year is projected at only 13 which is somewhat below the recent record of 16 to 17 per year. This might imply that the output is down because of reductions made in your capability in recent years. Is that the case?

Mr. GIBBONS. I think you are speaking of 1987 in all of those numbers?

Yes, the budget we request, which incidentally we derived before the words Gramm-Rudman and Hollings were connected together——

Mr. FAZIO. We like to remind people this bill was signed before Rudman, Mack, Hollings, and certainly Mr. Gramm all got together.

Mr. GIBBONS. Yes, sir.

Mr. FAZIO. That is part of our problem this year.

Mr. GIBBONS. What we proposed to do in this budget was to return OTA's capability of handling the work to the level we had been able to attain in fiscal year 1984 and prior years. I might add that if Gramm-Rudman had been passed at the time I went to my board with this budget request, I would have been even more firm in my belief that such an increase was going to be needed. Because as the pressures on Congress mount to make trims not only through the fat but into the muscle and bones of Federal Government programs, the imperative for careful use of information becomes higher and higher.

KNOWLEDGE CRITICAL TO CONGRESSIONAL DECISIONS

I know that my colleague, Dan Boorstin, made an eloquent plea the other day before you about the value of information in a society whose existence really hangs more and more upon human intellect. I would posit that the need for OTA's work in transforming data and information into knowledge that is relevant to critical decisions in Congress is exacerbated by this kind of budget trimming. We do not enjoy the idea of that much more intensive, time-pressured work, but I do feel if this place, OTA, is to be—as Senator Stevens calls it—the shared resource of Congress to do its analytical work, then now for sure is the time to give that kind of work some support.

What we proposed for 1987 was, as I mentioned, an increase in our pace of work to reflect much more closely the pace of work in 1985 even though we have more initiations during that year. The number of projected completions in 1987 is down because those completions will be things that were initiated in 1986, which is a low budget. So we are out of phase in terms of the longer assessments.

INCREASED NUMBER OF SPECIAL RESPONSES

You will note, however, Mr. Chairman, that because of the flexibility provided in the Act and by my board, we are able to do work for Congress in chunks less than full assessments when everything spells out that that is the way it should be. Therefore, we have anticipated this year in the face of a decreasing budget to have fewer of the large comprehensive fundamental assessments and more of what we call special responses; that is, things that are less comprehensive than the full assessments and are more directly focused on the very specific needs of the committee.

So, in 1987, we anticipate an increased number of those while at the same time a fewer number of the major assessments to be completed.

Mr. **Fazio**. In regard to the 18 assessments that you mentioned you would say there has been a shift to more short-term and less long-term analyses?

Mr. **Gibbons**. In addition to the 18, there would be more. We believe that with the budget we have requested, we could undertake 18 new assessments if they are characteristic of the assessments in the past, but if you look at the completions in 1987, I think you will see the special responses are increased over 1986, so that the total delivered——

Mr. **Fazio**. The figure of 18 encompasses both kinds?

Mr. **Gibbons**. That is the assessments.

Mr. **Fazio**. I see.

I didn't have that analysis in front of me. Is it under the category of other reports?

Mr. **Gibbons**. That is correct.

Mr. **Fazio**. Special reports, reports supplements, technical memorandum, background material, workshop proceedings, administrative documents. I see.

IMPORTANCE OF FLEXIBILITY IN LEVEL OF RESPONSE

Do you consider this to be in keeping with what OTA was created to do? Is this a result of budget stringency? Do you object to the direction you are required to take OTA administratively? Is this a better way to serve the variety of needs placed on you?

Mr. **Gibbons**. I don't think anyone can be totally prescient in their prediction of how an organization will or should work. I must say looking back at the Act of 1972, I am increasingly amazed at how well the authors seemed to anticipate the needs and flexibility required of the agency.

At the same time, it seems to me the agency has to protect its ultimate currency. The ultimate currency is its ability to catalyze, at low marginal cost, information obtained from everywhere: government, private sector, the U.S., and abroad—to catalyze it in a way that will enable Congress to have the best kind of information, a starting point in resolving complex problems; something that can be sure, secure, and on top of which one can identify those areas that—for which there is no stipulation, but must be solved through that procedure.

OTA's only way to maintain that capability of being a penultimate if not ultimate source of technical advice to Congress is to do these full assessments. So in the long term, the thing we must guard most carefully, beyond quality and objectivity, is the full assessments. But during times of particular stress, committees, while they are willing to support the big studies, also want some very specific kind of help.

When committees have that kind of need, I feel it is our responsibility to draw on that warehouse of information we gathered and deliver it in a way that is immediately and directly helpful to them. That is, if other sources cannot provide that same kind of help.

OTA PROVIDES POLICY OPTIONS

We obviously provide all kinds of different help. I think one of the most important ways we provide help—exemplified in our study on space station or our study on SDI— is to provide Congress with a sense of alternative avenues that the nation can take in some new major technological venture. Not to say which road should be taken, but rather to describe the alternative paths that could be taken as a way for Congress to measure against the particular path being proposed by the Administration. I think that kind of work is fundamental to our future, although many times it translates to very detailed, special analyses drawn from that.

Mr. FAZIO. It seems fair to say as your store house of knowledge grows, as you put it, through the years, the accumulated work you do, the institutional knowledge you develop, that it would be increasingly important for you to draw on that for short-term work. That is a continuation or an offshoot of that basic work, too.

It would not be inappropriate to see you use that knowledge more as long as it does not deter you from going on to build on the storehouse.

IMPORTANCE OF INSTITUTIONAL KNOWLEDGE AND FOLLOW-ON ACTIVITIES

Mr. GIBBONS. That is correct, Mr. Chairman. In fact, I think that is a very important observation. As our storehouse and our standing in certain areas becomes more and more secure, it is easier for us to make an authoritative response without a major study behind it. You can see this, for example, in our work on energy and some of the other mature fields that still pop up as issues before Congress, in which OTA has an outstanding amount of authority now. I would say that health and energy, in particular, are areas where we can do very definitive work in a relatively short time now—only because of those past investments.

OTA'S WORK ON THE STRATEGIC DEFENSE INITIATIVE

Mr. FAZIO. Let's go to the SDI issue. Congressman Brown is still here. I appreciate that. He and I probably share some views on SDI that might not be those of Mr. Lewis, for example. I would like to put aside the issue of where you stand. You put out a report which we discussed at some length last year for which you were soundly criticized by a number of people who had been strong proponents of SDI.

General Graham and others, including Evans and Novak, beat up on you in a column. I know you were in a position to try to respond to your critics at least to the extent that you felt they were unfair, although we could not reconcile differences of opinion. Now you are under pressure, direct legislative authority, to conduct something which seems to be in the same vein.

Could you clarify for us what this new mandated study would accomplish that wasn't done in the earlier study? Also, tell me to the extent that you can what accommodations you felt moved to make politically or in the substance of the SDI study that was initially so controversial?

Mr. GIBBONS. All right, sir. It is amazing, it was only a year ago we talked about this.

BACKGROUND PAPER ON BOOST PHASE BALLISTIC MISSILE DEFENSE

OTA began work on ballistic missile defense before the SDI office was formed. The report that you speak of was a primer rather than a formal OTA report. It was a background study that we commissioned from an individual expert.

Mr. FAZIO. Is that something the board decided was important to do? Is that what initiated working primer?

Mr. GIBBONS. Mr. Chairman, the primer began as a $10,000 investment made on my authority because I knew we needed as an agency to get smarter about this issue back in 1983. Between the time I initiated the work and the publication of that primer, we did receive a request to undertake a formal assessment on new ballistic missile defense technologies rather than just continue our background monitoring.

Mr. FAZIO. Do you remember where that came from?

Mr. GIBBONS. The Senate Foreign Relations Committee and House Armed Services Committee.

Mr. FAZIO. Jointly or independently?

Mr. GIBBONS. Independently. Two different letters.

After the undertaking was approved by the board, the background paper on boost phase interception was completed, although it had been started before that, as I mentioned to you. One of the requesters, Senator Pressler, used it in a rather public way on the Senate side, and it drew a great deal of interest, I think because there was so little being said in an unclassified way about that subject at that time.

I remind you that that was a piece prepared primarily for our increased internal understanding of the issues, but it was quite relevant to the interests of the committees, and the Foreign Relations committee chose to release it in that way.

The paper drew a lot of criticism. I must say that the criticism today has essentially disappeared. I would invite you to look back now at some of the claims that were made about the supposed mistakes in that paper and what actually obtains today in terms of the numbers.

Some of the critics have become very quiet, for good cause, Mr. Chairman. I am not going to try to defend that paper which was the product of Dr. Carter, but I would like to move on and talk about OTA's most recent work, the full assessment on this issue published in September of last year.

Mr. FAZIO. This was a follow-on?

Mr. GIBBONS. No. This was the principal result of the assessment. The controversial paper was an early background piece done on a small subcontract. It was not an OTA authoritative piece of work. That authoritative document is the one released in September 1985.

Mr. BROWN. Jack, may I point out also it was intended to be a limited analysis, focused primarily on the boost phase attack technologies, not on the whole concept of SDI. Of course, boost phase technologies are an important element and a very sensitive element and probably that is why the criticism was so vehement.

The final study was much more comprehensive and included much more than just the analysis of the boost phase technology.

Mr. FAZIO. What caused you to go on and complete the broader analysis?

Mr. GIBBONS. This was the job we undertook for the two committees.

Mr. FAZIO. If you had not been asked, or unless the board decided it was worthy of consideration there may not have been an additional report forthcoming.

FULL ASSESSMENTS OF BALLISTIC MISSILE DEFENSE AND ANTI-SATELLITE TECHNOLOGIES

Mr. GIBBONS. Exactly. The product, however, was published this past fall, as you know, in both a classified and unclassified form. It is an authoritative piece of work that went through the full OTA review process as well as through the full clearance process, through more than six executive agencies in terms of classification. That report has been very well received in virtually all quarters. It has been picked up by Princeton University Press and is about to be published in paperback.

In fact, I brought a copy of it, Mr. Chairman. I don't think this is released yet, but I understand this is going to be released for sale within the coming weeks. I was pleased at that action because it told me something about the way at least the scholarly market has treated our work.

We received a number of fine commentaries from people about the balance of that work and about how it helps lay a careful foundation for making comparisons of various technologies and strategies.

As far as we are concerned, that report—the Princeton volume incidentally, also has a report on anti-satellite weapons in the back part of it—completed our work for the two committees. We have testified and given briefings following that time, but that report was the formal completion of our work.

SDI MANDATE SURPRISED OTA AND BOARD

We were, quite frankly, Mr. Chairman, surprised when, in the conference committee for the continuing resolution, OTA was given an assignment to do some additional work on SDI. I was informed about this post facto by Mr. Miller, who is on our board and also was in the conference. We had no prior notion——

Mr. FAZIO. Clarence Miller of Ohio?

Mr. GIBBONS. Yes. We had no prior notion of this, but we have since been given an understanding as to how it happened. I would be happy to go into that, if you would like me to do so.

The bottom line is that OTA was chosen as a compromise between people who wanted the study carried out by the Academies of Science and those who felt that because of the requisite levels of classification involved and timing, it would be far more appropriate to have our agency do it.

Mr. FAZIO. It is also a reaffirmation of the point you made earlier, that there is a reduction in criticism directed at you and a broader appreciation now.

Mr. GIBBONS. Yes, sir. There were some kind words in the conference report that we appreciated because, quite frankly, we were rather vigorously attacked in the process of that work. We worked very hard to maintain our reputation and do things with an even hand.

SDI A CRITICAL ISSUE

Mr. BROWN. May I comment?

I want to say a word about the politics of this. Obviously, this is a critical political issue in which people have very strong views. It so happened that at the time when this completed report was brought to the board, the political conflict was sort of at a peak also, in which those forces favoring SDI, both within the Administration and outside, were trying to make a concerted effort to achieve a higher level of funding, to relate this to the ongoing Geneva talks and the summit meetings.

They felt that there was at least potential that this report, regardless of its accuracy or objectivity, might have a damper on these efforts that were going on at the time.

That, of course, passed. Attitudes, I think, are a little bit more restrained at the present time. Some of those who opposed the report prior to its release are now amongst those who are saying this really is an objective, useful report. That was my own reaction.

I think you can separate this report from the extreme of feelings on both sides as to whether it is desirable to deploy such a system or not.

Mr. FAZIO. That really speaks well for OTA and its credibility. All that is missing now is the revisionist Evans and Novak column. They could plan another effectively. They don't bother to do that.

MANDATE REQUIREMENTS QUITE SPECIFIC

Mr. GIBBONS. Mr. Chairman, let me close on this requested assessment. Funds were provided in the continuing resolution to be drawn from the Department of Defense for a very specific study defined both in dollars and in scope in the language. We have been working since that time—going back to especially the appropriations folks as well as the armed services folks—to try to understand as best we can exactly what they have in mind and then to try to scope something that does the best job—given those constraints.

Mr. FAZIO. How did the figure $700,000 get pulled out of the sky?

Mr. **Gibbons**. I have no idea. I imagine it is because that is not far out of range of a typical major OTA assessment. That is only a guess.

PROCEDURAL PROBLEMS WITH MANDATED STUDIES

Mr. **Fazio**. What is the procedure at this point in terms of another committee providing a portion of the OTA budget which essentially is our jurisdiction? Isn't that the case? Defense Appropriations would be providing funds.

Mr. **Lombard**. They transfer the funds from the RDT&E account in defense. OTA looks upon it as a reimbursable study.

Mr. **Fazio**. It doesn't come through us as part of our budget request?

Mr. **Gibbons**. No.

Mr. **Fazio**. It is not augmented upon the top of what you requested.

Mr. **Lombard**. There are personnel ceilings involved. OTA is authorized a ceiling of 143 permanent positions which cannot be exceeded.

[**Clerk's note**.—Two positions from the 143 authorized permanent positions will be detailed to the Defense Study, and will be paid from the RDT&E defense account.]

Mr. **Gibbons**. My understanding is that the committees involved expressly wished for us to go before my Board with a proposal thought to be responsive to the request prior to beginning work.

So, what we decided to do was to postpone other activities of several people in our program in national security to carry out this work, and postpone other work until this work is completed.

So, in effect, we have let this take priority, and displaced other things we probably should be doing.

Mr. **Fazio**. Are you operating on the basis that you are required to do this?

Mr. **Gibbons**. I am operating on the basis that I should take to the board a serious, carefully developed proposal to do the work.

Mr. **Fazio**. Is that because it is important that you do it, or because you are required to do it?

Mr. **Gibbons**. I believe it is an important issue, Mr. Chairman. I also have to believe that the committees, when they requested the work, felt it was important to have this done. We have called on Members of both the Majority and Minority sides on the House side of this and have gained from them a feeling that there is an intense interest in the issues of survivability and software feasibility. And we believe, particularly because the field is changing fairly rapidly, that it will be important for Congress to have an independent view of what these things mean in the closing months of fiscal year 1987.

WHY OTA RECEIVED THE MANDATE

Mr. **Fazio**. The House wanted the National Academy of Sciences to do this?

Mr. **Gibbons**. Mr. AuCoin preferred the Academy.

Mr. **Fazio**. Senator Stevens objected?

Mr. **Gibbons.** Objected on the grounds of protecting a number of people with access to this kind of information—or someone else did. I understand from talking with one of the House Members that Senator Stevens then suggested OTA as the alternative. That helped settle the differences, particularly between Mr. Livingston and Mr. AuCoin, I believe.

Mr. **Brown.** Mr. Chairman, would you excuse me at this point?

Mr. **Fazio.** Thank you, Mr. Brown. We appreciate your being with us.

Mr. **Brown.** I have enjoyed being with you.

ADDITIONAL MANDATES

Mr. **Fazio.** We will be in touch with you.

Are there other mandated studies? Cooper mentioned the agricultural study.

Mr. **Gibbons.** The agriculture study is one in which I think the proper words were put into the bill, which makes that study subject to the Board's approval. These words that allow the Board to consider the bill as a request to the Board on the part not of a committee of Congress but of the whole Congress, since it is an Act of Congress.

What we have tried to do in that situation, Mr. Chairman—and I haven't told this to my Board yet——

Mr. **Fazio.** I am glad you waited until Mr. Brown left.

Mr. **Gibbons.** Don't print your record until I have had my Board meeting.

STUDY OF GRAIN QUALITY ASSURANCE TECHNOLOGIES

Mr. **Fazio.** We haven't reviewed GPO's appropriations yet. We aren't sure what we will be able to print.

Mr. **Gibbons.** This is a project laid on one of our nine programs. The program is already without funds to have another major startup this year. At the same time, we know the intensity of interest of the agricultural committees on this particular issue of grain quality.

We are trying, therefore, to provide a compromise. One of our key experts in this area has been able to find out some important sources of information within the industry—the shippers, some important research projects nearly finished in academia that are relevant to it. This individual, with very little extra funds, is going to be able to put together information between now and June that will be very helpful to these people and their considerations of grain quality.

At the same time, in good faith, we have to put together a proposal which is fully responsive to the language of the bill. The proposal will go to the Board. But I will have no funds to implement it. I will simply ask them to defer action, therefore, until we get to June and can make a reappraisal.

It is just trying to make the very best we can of our networking, our ability to get some partial answers to these people, rather than simply turning them off.

EVALUATION OF AGENT ORANGE PROTOCOLS

Mr. **Fazio**. What about the Agent Orange study?

Mr. **Gibbons**. As you know, the Agent Orange study began some time back. We have been successful in several instances of stopping what would have been a wasteful study on the part of the Executive Branch agencies; wasteful in that the goal of the analysis could not be reached when you looked at the basic data involved.

We are still involved in this process because, quite frankly, the major study that the Centers for Disease Control, under VA, are looking at, we are still quite skeptical about. It may be we will turn the study off—not because the result is not desirable, but because the result is not obtainable.

It is not a cheap study. It costs $70 million. So, our $30,000 to $40,000 a year effort in this area, I believe, is again paying off handsomely in terms of making sure Federal dollars get spent for things that really count.

Again, we are trying to accommodate this mandated request as long as it stays on this low level with extremely high leverage in terms of its possibility to help Congress make wise decisions. I believe we should stay with it.

Mr. **Fazio**. Are there any other mandates that have been imposed on you by other sections of the law in the last year and a half that we have not talked about?

Mr. **Gibbons**. There are several things that have surfaced. One has to do with the Biomedical Ethics Commission.

STUDY OF OCEAN INCINERATION

Mr. **Fazio**. We are planning to get to that.

Mr. **Gibbons**. Let me pass on that one for a moment.

There is one we know has been discussed, but is not acted upon yet. It has to do with ocean incineration. We are attempting to avoid that one, if we can, by working with the committee.

PHYSICIAN PAYMENT COMMISSION

There is also a matter of OTA appointing members of a commission called the Physician Payment Commission that was included in the budget resolution; but it failed to pass in the last week of the 1985 session. OTA's role in this, if it is passed this year, would be to play almost the identical role that we did in establishing the Prospective Payment Commission for hospital reimbursement under medicare. Again, it would be a limited role for OTA in this regard; namely, the careful appointment of a balanced commission and then getting out of the way of it.

In that sense, I guess I cannot object so strongly to one like that, because it uses our quality control methods and nonpartisan office and our procedures well, and for a very well-constrained and relatively low-cost effort, several tens of thousands of dollars total.

What worries me is not so much those uses of OTA's capabilities and strengths, but things such as ocean incineration, which would make OTA responsible for all sorts of things to do with EPA's ocean incineration testing, which I think would be totally inappropriate for us.

MANDATES USURP POWERS OF THE BOARD

What we do in all of these, Mr. Chairman, is to try to keep as good an eye as we can on what is happening in Congress that has to do with technology. We try to utilize our Board and your good offices, as well, to help discourage Congress from mandating things upon us. Mandates are unfair in that they usurp the Board's prerogative to try to make absolute maximum use of the funds Congress is making available to the shared resource.

The places we try to work the hardest are on those places that involve fairly large dollars, but we'd like to avoid things like the ocean incineration job.

We do know from times past that the Parliamentarian has ruled that it is legal for Congress to mandate OTA to do work. Congress can do it if Congress so chooses. So, another line of defense is to try to persuade those doing the mandation to put in the wording that you have kindly provided in our appropriations allocations as well as in our Act. We were able to see, for instance, in the farm bill that this was done.

INTEREST OF THE APPROPRIATIONS COMMITTEE IN AVOIDING MANDATES

Mr. Fazio. That language is something I want to underscore. I will do that by attempting to oppose, if we don't get this kind of cooperation from the committees involved, any of the proposals that would come forward without it will be denied on that premise alone. We need to do it not just for the independence of your Board but also for the prerogatives of this committee.

I intend to follow up. I would appreciate your notifying Ed immediately, any time you hear about it.

Obviously, in the case of the SDI language, you weren't aware of it until later.

Mr. Gibbons. Let me say, we appreciate the help of the committee. The Board also feels strongly about this. We see with the same eye on this one.

BUDGET PRESSURES INCREASE IMPETUS FOR MANDATES

I do feel what you have been able to do in the past is extremely helpful to us. I also feel, however, that as pressures rise under overall efforts to get the budget deficit down, pressures are going to rise for careful analysis. This, I don't regret, but I am afraid that it also means there are going to be people who try to mandate things for us. I would hope we could collectively keep those to a minimum.

Mr. Fazio. If other subcommittees are involved, we can work with our colleagues within the appropriations process. Of course, if they are not funded, if they don't take the approach that was taken on the SDI, we would simply not entertain them through this process.

We may be sending the wrong signal by accommodating these requests. On the other hand, I don't want to be so noncooperative as to be out of line. There are possible benefits in the follow-on to the SDI study.

Mr. GIBBONS. I agree. It seems to me OTA's role is increasingly that of trying to adjudicate the multiple interests in a given idea, across both House and Senate, Majority and Minority interests, and then come out with a package that does the best it can with resources available to respond to that community of interest, not just the thoughts of one committee. So I think it is important to make the point that mandates hinder rather than help this process.

BIOMEDICAL ETHICS BOARD

Mr. FAZIO. At least make them wait. You don't make them look elsewhere.

Let's talk about the Biomedical Ethics Board. As you know, we funded an activity in that area last year, a request made at the last minute in the Continuing Resolution. There was a need for such an entity. But the question of location and funding remain unanswered.

At this point the Board has not brought us a budget request. We know you have had experience in the background since you have been involved historically.

What do you think of the work of the previously existing Board and indicate what you might do to the analysis for the work of the Board.

Mr. GIBBONS. We have been asked over a period of several years whether or not OTA could undertake some or all the functions of that Board, Mr. Chairman. Historically our response has been that our charter requires us to examine the impacts of the applications of technology and of the implications of emerging technology and science, and amongst those are the social, political, as well as biological, physical, and more, as it were, tangible impacts.

OTA'S WORK IN ETHICS

OTA has done work that does involve ethics as one of a series of impacts of technology and its change; most recently, for example, our work on the use of animals in testing and research.

We do have some expertise in ethics within OTA. We have four physicians, all of whom have had some work in this area, one of whom has a law degree as well as an MD. Another has done a good deal of work on ethics, particularly related to the life-extending technologies and the problems of dementia. OTA's Assistant Director for Health and Life Sciences was chairman of a State Institutional Review Board. We have one professional staffer trained in graduate studies in ethics, and some members of our staff have taken graduate courses in ethics.

OPPORTUNITIES TO ASSIST AND COOPERATE WITH THE BEB

OTA should not be a Bio Ethics agency. We are the Technology Assessment agency. There is a great deal of difference. For example, the Biomedical Ethics Board will contemplate recommendations, but OTA limits itself generally to providing options to Congress.

On the other hand, if such a Board were established, and if it carries out the two major tasks that, as I recall, are assigned—one having to do with fetal research; the other having to do with the applications of biotechnology—there will be similarities in function. In the former case, OTA is not involved in nor does it expect to be involved in, at least in the foreseeable future, an assessment that directly concerns itself with fetal research. It is not because there are not important technical questions here, but because it is so heavily laden with things that go beyond technology that OTA has properly not been asked to get into that area.

At the same time, in the area of the development and applications of biotechnology, we are deeply involved. We are, in fact, one of the leading agencies in the world in keeping an eye on and illuminating what is happening in that field and what its consequences may be for policy. So, if the Biomedical Ethics Commission is formed, we would certainly want to cooperate, at least as closely as we do with the GAO, the CRS, and the CBO.

If, in the formulation of that Board, OTA could provide some help, then obviously as a part of Congress we should try to do so. It has been suggested, for example, that since it is a small group of people, OTA or one of the other legislative agencies could help it along the way by providing some administrative assistance, perhaps some space, or shared space of conference facilities and the like.

Mr. McGurn has, I believe, talked with Mr. Lombard about some of these things as possibilities. We would be happy to accommodate, if we can. Our main job is to make sure we know what they are doing so we know we are not duplicating work.

Generally, if our resources can be more fully utilized by Congress, we would surely want that to happen.

I think in terms of the appointment of the Biomedical Ethics Commission and the like, it would be important to keep us separate. We have our Board. There is a very different board for the commission.

Finally, to specifically respond to your question about a substantive contribution to all of the Biomedical Ethics Board's work: as I've said, we have the professional expertise, and if the funds were made available, we do have the ability to perform (e.g., by contract) the major tasks. One possible arrangement would be where we would do the analytical studies under the aegis of the Technology Assessment Board, and with their approval, deliver the work products to the Commission. The Commission and its Board would then be free to utilize those deliverables, and formulate recommendations, separate from OTA, to suit their own purposes. I would want this idea to be carefully formulated with our own Board to conform to OTA's law and procedures; but the potential is there should the Congress require this of us.

Mr. FAZIO. We will be communicating with you on this matter. We do not know where we will end up with this, but want to keep the concept alive. We acquiesced in a relatively minor appropriation to allow them to have time to formulate a method of organization and a schedule of activities. They are at least in a position to move into a permanent situation.

I would like to put some questions in the record at this point.

[The questions and responses follow:]

QUESTIONS FOR THE RECORD

Question. You are asking for the same limitations on employees, 143 full time. But last year you told us there were an additional 65 consultants and temporaries, 4 detailees, and 5 fellows. What are your plans for FY 1987?

Response. In FY 1987, the staff allocation of 143 will be filled by a full-time complement of 142 and 3 part-time permanent staff. There will be 61 temporary employees, including 4 Congressional Fellows. There will also be 52 consultants providing intermittent advisory services to OTA. We anticipate using 2 detailees from other federal agencies. (Schedule E, on page 22 of the Justification of Estimates, and the updated "Staff Allocation" chart also provide information on this issue.

Question. What kinds of "detailees" do you use? What are their jobs and where do they come from?

Response. OTA has two detailees currently on board.

1. Allen Greenberg is a Senior Analyst from the State Department. An expert in European relations, he is working full-time for approximately one year on the "Alternatives for Improving NATO's Defense Response" project. His services are paid by the State Department.
2. Nancy Cummings is an Associate Director at NIH with an extensive background in nephrology (kidney disease and treatment). She is working an average of one and a half days per week until July 1986 on the kidney dialysis section of the "Life-Sustaining Technologies and the Elderly" project. Her services are paid by NIH.

Question. Last year, you indicated there were about 16 "temporary" employees who had been retained for more than one year. How many do you now have? How many of these were on last year's list?

Response. There are currently 26 "temporary" employees who have been retained for more than one year by OTA. None of the 26 appeared on lst year's list.

A review of the "Comments" section of the updated "Temporary Employees Retained More Than 1 Year" chart indicates that 11 temporary employees will be leaving in FY 1986, upon completion of the project for which they were hired. Others will be leaving when their projects end in FY 1987, and a few will be converted to permanent positions because their specific expertise is needed for further OTA studies.

Question. Are these "temporary" employees just another way of augmenting your full-time staff?

Response. Since the inception of OTA, TAB and the Congressional Appropriations Committees have explicitly visualized a lean permanent staff with the flexibility to acquire nonpermanent expertise for the duration of an approved assessment. The intent has always been to search for the best outside expertise for the task at hand without the obligation of retaining such personnel on OTA's rolls. Permanent staff are retained as long as they continue to provide OTA with the technical and institutional expertise necessary for the on-going activities of OTA.

An illustration of OTA's practices is demonstrated in the chart reflecting the disposition of temporary employees retained beyond one year. Temporary employees are hired for a particular expertise required for the completion of specific assessments. Appointments are limited by a definite end date linked to the anticipated completion of the assigned assessment or less. Upon completion (assessments average 19 months), appointments are terminated.

Question. How many on-site contractors have been with you for more than a year? Do they tend to move from a finished project to a new one?

Response. OTA currently has 6 in-house contractors who have (or will have) provided uninterrupted services for more than one year. None of these contractors will move to a new project upon completion of their current project, nor is it common for that to occur at OTA.

Question. For the record, update the "Temporary Employee" table from page 534 of the FY 1986 hearings. Add all the new employees who qualify to the old list, and indicate separation dates for any on last years list who have left OTA. Provide similar tables for on-site contractors, consultants, and detailees.

Response. Please see following tables.

TEMPORARY EMPLOYEES RETAINED MORE THAN 1 YEAR

Name and position	Entry date	Salary	Comments
Fiscal year 1985:			
Locke—Research Assistant	Apr. 4, 1983	$19,870	Terminated Apr. 11, 1985
Arenz—Senior Analyst	June 23, 1983	29,320	Terminated June 11, 1985
Levenson—Analyst	Aug. 22, 1983	33,380	Converted to Permanent May 13, 1985
Dougherty—Analyst	Sept. 6, 1983	30,200	Converted to Permanent Apr. 1, 1985
Rosenberg—Analyst	Sept. 12, 1983	39,700	Converted to Permanent Oct. 28, 1985
Garwin—Analyst	Oct. 10, 1983	40,530	Terminated Aug. 16, 1985
Brown—Analyst	Nov. 6, 1983	31,670	Terminated Apr. 26, 1985
Sundt—Analyst	Nov. 7, 1983	28,125	Terminated June 12, 1985
Graf—Analyst	Nov. 15, 1983	33,030	Terminated July 5, 1985
Catherwood—Research Analyst	Dec. 5, 1983	24,260	Terminated Jan. 21, 1986
Dray—Research Analyst	Dec. 12, 1983	21,810	Converted to Permanent Dec. 9, 1985
Roberts—Senior Analyst	Jan. 9, 1984	45,920	Converted to Permanent Jan. 1, 1986
Westermeyer—Analyst	Jan. 15, 1984	33,030	Converted to Permanent Jan. 6, 1986
Stevens—Senior Analyst	Jan. 23, 1984	51,850	Terminated Sept. 30, 1985
Brody—Research Assistant	Feb. 14, 1984	19,080	Terminated July 31, 1985
Reining—Analyst	Feb. 20, 1984	26,980	Terminated Nov. 23, 1985
Fiscal year 1986:			
Bierbaum—Analyst [1]	Mar. 11, 1983	34,790	To be converted to permanent status, summer 1986
Cook—Analyst	Jan. 30, 1984	44,290	Leaving March 1986
Dowdy—Research Analyst	Apr. 30, 1984	25,250	Leaving August 1986
Amick—Analyst	June 18, 1984	29,910	Leaving September 1986
Madison—Analyst	June 18, 1984	26,390	Project Completion September 1986
Gelb—Research Analyst	June 20, 1984	21,810	Leaving August 1986
Kost—Analyst	June 25, 1984	27,860	Leaving September 1986
Power—Analyst	June 25, 1984	26,390	Project Completion March 1987
Finnemore—Research Analyst	July 16, 1984	22,700	Project Completion June 1986
Myers—Research Analyst	Aug. 6, 1984	24,910	Project Completion July 1986
Smith—Analyst	Aug. 6, 1984	43,450	Leaving April 1986
MacDonald—Analyst	Aug. 21, 1984	26,390	Project Completion September 1986
Denison—Analyst	Aug. 24, 1984	31,620	Project Completion October 1986
Prabhakar—Analyst	Sept. 4, 1984	35,480	Project Completion April 1986
Shaman—Research Assistant	Sept. 4, 1984	18,320	Leaving August 1986
Hughes—Research Analyst	Sept. 7, 1984	21,810	Project Completion March 1987
Maklan—Analyst	Sept. 17, 1984	31,080	Leaving July 1986
Smith—Analyst	Oct. 15, 1984	32,680	Project Completion March 1987
Grodsky—Research Analyst	Oct. 29, 1984	24,260	Leaving April 1986
Lert—Senior Analyst	Nov. 24, 1984	45,130	Project Completion December 1986
Kosovich—Analyst	Jan. 2, 1985	42,200	Leaving Summer 1986
Adams—Analyst	Jan. 7, 1985	31,980	Project Completion March 1987
Hund—Analyst	Jan. 7, 1985	28,740	Project Completion October 1986
Wilson—Research Analyst	Jan. 14, 1985	22,400	Leaving May 1986
Liem—Analyst	Jan. 21, 1985	27,560	Leaving May 1986
Fainberg—Senior Analyst	Feb. 12, 1985	51,350	Project Completion August 1987

[1] Worked 1 day a week from March, 1983, to November, 1985.

Note—During these appointment periods, an employee commonly works on a full assessment, testimony, briefings, special responses, follow-on work, and, frequently, planning new projects.

IN-HOUSE CONTRACTORS RETAINED MORE THAN 1 YEAR

Name	Contract start date	Annual rate [1]	Comments
Shaw, Bradley	Sept. 17, 1984	$29,900	Project completion June 1986.
Ostrom, Doug	Jan. 10, 1985	38,480	Do.
Conca, Ken	June 1, 1985	31,200	Do.
Mundo, Phil	June 1, 1985	36,400	Do.
Hart, Jefferey	June 1, 1985	56,160	Do.
Jarboe, Ken	June 1, 1985	38,480	Do.

[1] Includes a 22 percent benefit package.

FISCAL YEAR 1985 CONSULTANTS

Name	Appointment date	Termination date	Fiscal 1985 compensation paid
Appelbaum, Eileen R	Oct. 1, 1984	May 31, 1985	$1,900
Banta, H. David	Oct. 1, 1983		550
Beistline, Earl H	July 31, 1981		1,564
Berenson, Robert A	Sept. 20, 1982		0
Bullard, Clark W	Aug. 7, 1980		0
Carter, Ashton B	May 23, 1983		0
Cochran, Thomas B	July 1, 1975		0
Dedrick, Claire T	Feb. 19, 1980		1,300
Drell, Sidney	Jan. 31, 1975		0
Estes, Carroll L	Oct. 1, 1982	Sept. 30, 1985	0
Evashwick, Connie J	May 20, 1985		300
Fein, Rashi	Sept. 1, 1975		1,200
Fineberg, Harvey V	Jan. 1, 1984		200
Fletcher, James C	Aug. 7, 1978		508
Freeman, S. David	Dec. 31, 1980		724
Geller, Howard	Mar. 28, 1984		0
Glisson, Jo Anne	May 20, 1985		200
Haimes, Yacov Y	Mar. 18, 1977		0
Halbouty, Michel T	Aug. 1, 1985		0
Hoberg, George G., Jr	June 6, 1980	Sept. 30, 1985	0
Hodges, Carl N	Feb. 19, 1980		1,818
Johnson, Spencer	May 20, 1985		0
Kimball, Charles N.	July 26, 1977		1,945
King, Patricia A	Aug. 1, 1981		900
Lampietti, Francois M.J	Jan. 25, 1977		11,000
Lashof, Joyce C	Jan. 1, 1982		800
Leaf, Alexander	Sept. 27, 1984		400
Lee, Sidney S	July 15, 1977		3,800
Levi, Barbara S	June 14, 1976		0
Lewis, Courtland S	Aug. 20, 1984	Mar. 31, 1985	5,600
Mack, Linda E	Oct. 11, 1983	Sept. 30, 1985	0
McCulloch, Rachel	Feb. 19, 1980		792
Mosteller, C. Frederick	Sept. 1, 1975		100
Mowery, David C	June 10, 1985		2,000
Nelkin, Dorothy	Jan. 7, 1985	Sept. 30, 1985	1,400
Nelson, Norton	June 11, 1984		400
Oseasohn, Robert	June 11, 1984		800
Perry, William J	Mar. 11, 1982		0
Piore, Nora K	Mar. 15, 1984		200
Potter, David S	Mar. 11, 1982		0
Rice, Dorothy P	Oct. 1, 1982		0
Riegelman, Richard K	Oct. 1, 1982		3,100
Robbins, Frederick C	Jan. 1, 1974		0
Rogers, Thomas F	Sept. 14, 1982	Dec. 31, 1985	200
Rose, David J	Apr. 1, 1974		0
Samuel, Wolfgang W.E	Sept. 1, 1985		200
Schuette, Oswald F	July 1, 1975		0
Shattuck, Petra T	July 1, 1985		0
Stevens, Rosemary A	Dec. 18, 1981		400
Taylor, Theodore B	May 15, 1976		0
Thomas, Lewis	Feb. 19, 1980		0
Von Hippel, Frank N	Jan. 31, 1975		0
Williams, Albert P	May 20, 1985		0
Willimams, Robert H	June 6, 1977		0
Young, Wanda W	May 20, 1985		200

DETAILEES

Name	Entry date	Salary	Comments
Allen Greenberg	Feb. 3, 1986	Paid by State Department	Project completion Dec. 1986
Nancy Cummings	Nov. 4, 1985	Paid by NIH	Project completion Apr. 1986

Question. Please update the staff year costs table on page 534 of the 1986 hearings.

Response. Please see below.

STAFF YEAR COSTS

[Includes salary plus benefits, dollars]

Position	Average costs	Range of costs
Senior analysts:		
Permanent [1]	61,991	50,310–73,998
Temporary [1]	56,929	50,546–67,648
Consultants [2]		
On-site contractors [3]	59,800	56,160–63,440
Analysts:		
Permanent [1]	38,856	29,557–49,146
Temporary [1]	36,645	29,557–49,605
Consultants [2]		
On-site contractors [3]	41,528	31,200–67,080
Research analysts:		
Permanent [1]	25,609	24,752–27,171
Temporary [1]	26,102	24,427–28,280
On-site contractors [3]	30,550	29,900–31,200
Research assistants:		
Permanent [1]	21,078	21,078
Temporary [1]	20,819	19,981–22,254
On-site contractors [3]	21,885	20,800–23,275

[1] Benefits average 12 percent.

[2] Used intermittently; no benefits; ranged from 42 to 50 consultants in fiscal year 1985; only 31 requested compensation in fiscal year 1985 for a total of $44,601.

[3] Includes a 22 percent benefits package.

Question. Please update the staff allocation table from page 537 of the 1986 hearings.

Response. Please see below.

STAFF ALLOCATIONS, FISCAL YEARS 1985–87

	1985 average	1986 estimate	1987 estimate
Staff	143	143	143
In-house consultants, contractors, temporaries	71	59	70
Detailees	2	2	2
Fellows	4	4	4
Facilities management contract	20	21	22
Total	240	229	241

Note.—OTA does not use in-house consultants. Contractors are used for specific pieces of a project and, thus, work for a specified amount of time. Temporaries are used for a variety of assignments but for a specified amount of time.

Question. You estimate a $284,000 increase in salaries due to merit increases and promotions. How many of each do you project?

Response. Promotions normally account for 27% of annual salary increases. As a result, OTA projects approximately $76,680 for promotions and $207,320 for merit increases in FY 1987.

Question. For the record, indicate each promotion given in FY 1985 (name of employee not necessary); the salary increase; and each merit promotion.

Response.

Job family	Merit increases	Promotions
Senior analyst	51	5
Analyst	47	16
Research analyst	14	3
Research assistant	8	1
Administrative assistant	18	1
Secretary	15	5
Miscellaneous operations personnel	18	6
Total	171	37

Salary increases follow.

FISCAL YEAR 1985 SALARY INCREASES

Job family	Salary	Merit increases		Promotions	
		Amount	Percent	Amount	Percent
Senior Analyst	$67,440	$1,261	1.87		
	65,400	3,302	5.05		
	65,400	2,707	4.14		
	64,700	2,050	3.17		
	64,700	1,371	2.12		
	64,700	2.050	3.17		
	64,460	1,160	1.80		
	64,460	941	1.46		
	64.460	2,320	3.60		
	62,730	1,731	2.76		
	62,730	1,141	1.82		
	62,730	1,731	2.76		
	62,730	1,292	2.06		
	62,140	1,162	1.87		
	62,140	1,162	1.87		
	61,560	1,742	2.83		
	61,200	1,315	2.15		
	60,980	1,158	1.90		
	60,980	1,750	2.87		
	60,980	3,042	4.99		
	59,820	1,740	2.91		
	58,070	1,747	3.01		
	57,500	1,161	2.02		
	57,500	1,161	2.02		
	57,500	1,742	3.03		
	57,230	1,682	2.94		
	57,230	1,121	1.96		
	55,790	1,478	2.65		
	55,760	1,739	3.12		
	55,760	1,739	3.12		
	55,760	1,739	3.12		
	54,810	981	1.79		
	53,330	1,482	2.78		
	53,330	1,482	2.78		
	53,330	1,962	3.68		
	52,840	2,330	4.41		
	52,270	2,038	3.90		
	52,180	1,690	3.24		
	51,850	979	1.89		
	50,370	982	1.95		
	48,890	1,955	4.00		

FISCAL YEAR 1985 SALARY INCREASES—Continued

Job family	Salary	Merit increases		Promotions	
		Amount	Percent	Amount	Percent
	$48,890	$977	2.00		
	47,400	2,971	6.27		
	46,410	1,967	4.24		
	45,420	1,480	3.26		
	44,440	1,479	3.33		
	44,440	982	2.21		
	44,440	1,968	4.43		
	44,440	688	1.55		
	44,440	1,968	4.43		
	42,930	1,429	3.33		
	66,200			2,502	3.78
	66,200			2,502	3.78
	50,370			2,468	4.90
	43,040			1,398	3.25
	41,180			2,697	6.55
Analyst	43,450	1,468	3.38		
	42,630	1,249	2.93		
	42,630	1,249	2.93		
	42,630	818	1.92		
	42,200	2,088	4.95		
	42,200	430	1.02		
	41,360	839	2.03		
	40,110	2,089	5.21		
	40,110	1,668	4.16		
	39,960	1,218	3.05		
	39,700	2,080	5.24		
	38,860	1,251	3.22		
	35,640	1,357	3.81		
	35,130	720	2.05		
	34,790	1,061	3.05		
	33,740	1,740	5.16		
	33,380	1,749	5.24		
	33,380	710	2.13		
	33,030	2,100	6.36		
	33,030	1,760	5.33		
	33,030	1,760	5.33		
	32,680	349	1.07		
	31,670	1,358	4.29		
	31,620	360	1.14		
	31,620	1,059	3.35		
	31,620	360	1.14		
	31,620	1,410	4.46		
	31,620	1,059	3.35		
	30,790	828	2.69		
	30,790	591	1.92		
	30,550	1,359	4.45		
	30,500	579	1.90		
	30,200	1,760	5.83		
	29,910	1,169	3.91		
	29,740	850	2.86		
	29,030	879	3.03		
	28,890	1,421	4.92		
	28,890	849	2.94		
	28,440	1,470	5.17		
	28,150	881	3.13		
	28,150	1,469	5.22		
	28,150	591	2.10		
	27,860	1,170	4.20		
	27,560	589	2.14		
	27,270	294	1.08		
	26,980	879	3.26		

FISCAL YEAR 1985 SALARY INCREASES—Continued

Job family	Salary	Merit increases		Promotions	
		Amount	Percent	Amount	Percent
	26,980	879	3.26		
	40,100			3,341	8.33
	38,300			2,650	6.92
	36,890			2,811	7.62
	35,850			1,760	4.91
	32,680			1,761	5.39
	31,620			2,681	8.48
	31,620			3,171	10.03
	31,380			1,299	4.14
	31,380			947	3.02
	30,890			1,019	3.30
	29,910			1,710	5.72
	29,900			1,719	5.75
	29,740			808	2.72
	29,320			3,368	11.46
	26,390			2,061	7.81
	25,490			1,697	6.66
Research Analyst	24,260	650	2.68		
	24,260	989	4.08		
	24,260	650	2.68		
	24,260	650	2.68		
	23,000	929	4.04		
	22,400	1,529	6.83		
	22,100	598	2.71		
	22,100	300	1.36		
	21,810	591	2.71		
	21,810	889	4.08		
	21,810	591	2.71		
	21,810	889	4.08		
	21,810	591	2.71		
	21,810	889	4.08		
	24,590			1,799	7.32
	19,720			1,628	8.26
	19,720			1,348	6.84
Research Assistant	18,820	259	1.38		
	18,570	250	1.35		
	17,840	479	2.69		
	17,840	729	4.09		
	17,840	729	4.09		
	17,840	479	2.69		
	17,840	729	4.09		
	17,840	479	2.69		
	18,570			3,240	17.45
Administrative Assistant	48,890	977	2.00		
	34,020	768	2.26		
	34,300	1,200	3.50		
	34,300	1,200	3.50		
	30,000	1,221	4.07		
	28,830	380	1.32		
	28,450	870	3.06		
	28,450	1,550	5.45		
	28,450	1,160	4.08		
	28,070	760	2.71		
	26,980	720	2.67		
	24,260	989	4.08		
	24,260	650	2.68		
	23,930	332	1.39		
	23,930	330	1.38		
	23,310	620	2.66		
	22,520	599	2.66		
	20,970	1,130	5.39		

FISCAL YEAR 1985 SALARY INCREASES—Continued

Job family	Salary	Merit increases		Promotions	
		Amount	Percent	Amount	Percent
	28,450			2,051	7.21
Secretary	23,000	1,260	5.48		
	22,430	300	1.34		
	21,830	600	2.75		
	21,540	889	4.13		
	20,680	1,449	7.01		
	20,530	1,139	5.55		
	20,260	828	4.09		
	20,140	539	2.68		
	19,870	1,100	5.54		
	19,080	789	4.14		
	19,080	789	4.14		
	19,080	259	1.36		
	17,690	879	4.97		
	17,230	1,199	6.96		
	16,520	459	2.78		
	22,430			569	2.54
	20,680			1,129	5.46
	18,430			1,019	5.53
	16,980			859	5.06
	16,070			1,390	8.65
Miscellaneous Operations Personnel					
CPA Director	66,750	1,361	2.04		6.8
Personnel officer	52,740	3,590			
Manager information services	41,780	1,671	4.00		
Budget and finance officer	41,780	1,261	3.02		
Director of contracts	40,950	2,088	5.10		
Press officer	39,000	1,400	3.59		
Personnel specialist	35,850	1,390	3.88		
Congressional relations officer	35,480	1,408	3.97		
Publications officer	31,670	1,469	4.64		
Graphics illustrator	29,910	879	2.94		
Information technician	29,610	485	1.64		
Assistant manager information services	28,740	1,169	4.07		
Budget assistant	24 910	670	2.69		
Personnel specialist	24,390	987	4.05		
Budget assistant	22,730	950	4.18		
Budget assistant	22,400	909	4.06		
Information technician	19,340	529	2.74		
Information technician	18,570	770	4.15		
Publishing officer	33,140			4,470	13.49
Assistant press officer	29,030			2,049	7.06
Management analyst	28,150			2,049	7.28
Conference center coordinator	28,070			959	3.42
Personnel specialist	26,270			1,000	3.81

Question. You estimate 7-10% increase in travel, printing, copier services, and contractor compensation. What is the basis for these estimated price level changes?

Response. The 10% price level increase in travel is based on anticipated price level increases. At the time of this estimate, governmentwide per diem rates were under consideration for an increase. Also our travel agency predicted an overall 10% increase for FY '87.

The 7% price level increase in printing is based on GPO Circular Letter 253, dated April 25, 1985.

The 7% price level increase in copier services is based on a survey of current copier equipment vendors concerning anticipated price level increases.

The 10% increase in contractor compensation is based on a decision to increase the maximum allowable daily rate to $220. This affects only in-house contractors, panelists, and working group members. The current ceiling of $200 per day has not been changed since FY '82.

Question. The $1.7 million increase in contracting services is the largest in your budget. Explain.

Response. The $1.7 million increase in contracting services is directly attributable to the workload associated with an increased number of assessments, special responses, and follow-on reports. This increased workload is distributed through many areas, including in-house contractor compensation and travel, number of panel meetings, panelist travel, and number of research contracts.

Question. Provide a table similar to the one on page 535 of the 1986 hearings on the contract service increase. Provide additional details on the specific increases.

Response.

EXPLANATION OF $2,025,000 INCREASE IN OBJECT CLASS 25.00, OTHER SERVICES

[Dollar amounts in thousands]

Type of service	Justification	1986 base	1987 increase	1987 base
In-house contractors	32K for 10 percent price level increase on 1986 base. 59K for increased contracting associated with increased assessments.	319	91	410
Panel/Work Groups	55K for 10 percent price level increase on 1986 base. 182K for increased panel meetings associated with increased assessments.	547	237	784
Support Services	21K for 4.4 percent applied to the 1986 base for wage determination increases. 47K for an additional two people at approximately 20K per person plus overtime.	472	68	540
Research Contracts	70K for 4.4 percent price level increase on 1986 base. 1,491K for increased project contracts associated with the increased number of assessments.	1,547	1,561	3,108
Purchase Orders	18K for 4.4 percent price level increase on 1986 base. 10K for in-house training. 40K for general refurbishing.	394	68	462
Total		3,279	2,025	5,304

Question. Which "facilities management" services require a $47 thousand increase?

Response. The increase of $47 thousand in "facilities management" services will compensate an additional two people. One person will be a Compugraphics Operator in publishing to handle an increased workload. The second person will be an additional "word processing floater," available for peak-load assistance throughout the Office, to reduce the high cost of temporary agency personnel.

QUESTIONS FROM MRS. BOGGS

Mr. Fazio. Do you have other comments to make on the Biomedical Ethics Board?

Mr. Gibbons. No, sir. I think that is enough for now.

Mrs. Boggs. Mr. Chairman, if I may, the Congressional Clearinghouse for the Future has held some good sessions on biomedical issues, genetic engineering, et cetera. I wonder if those exchanges between scientists and Members of Congress have been a part of your consideration?

Mr. Gibbons. Yes. In fact, Mrs. Boggs, we have worked very closely with the Clearinghouse. We helped organize a couple of the sessions. We find that a very valuable and supportive group to work with, and think very highly of what they are doing.

Mrs. **Boggs**. When you sit on Appropriations you sometimes discover there is not always a great deal of cooperation among the government's research agencies. Oftentimes, we discover that an agency or department is doing similar types of investigations and studies.

Do you find that OTA's focusing in on a particular area has helped bring all of those resources together?

Mr. **Gibbons**. We do, in fact.

OTA'S WORK ENHANCES COOPERATION AMONG GOVERNMENT AGENCIES

Two observations I would make on that. One is OTA's ability to use a relatively small block of resources to try to handle the whole of science and technology for Congress depends on our being able to network into the Executive agencies and into universities and industry. We bear only the incremental cost of pulling that information together and helping sort it out and using a lot of volunteer time in the process.

Our survival depends on knowing the territory well. It also then allows us the opportunity to cross-link people. I remember one meeting we had in which we were concerned with the use of modeling of various river basins, various kinds of water models. We drew together people from all the relevant Executive agencies and some from the private sector. Many of these people have never met each other before.

I will just conclude that I think the questions you asked go right to the heart of OTA's method of operating. We survive only by knowing the territory and net working throughout government and in the private sector.

OTA'S IMPORTANT WORK

Mrs. **Boggs**. Probably the most important work you do is bringing them together and bringing all the resources of the government to bear upon your own assessment.

Mr. **Gibbons**. That is correct. That means we draw in an enormous number of people from outside. The number still stands at around 2,000 different individuals every year that work with the OTA in one form or the other—an advisory panel member, a reviewer, a temporary employee, a contractor. Primarily our advisory panels. That gives us an enormous amount of oversight from the substance area and it is because of that that we can feel as confident as we do when we deliver a report to you.

Mrs. **Boggs**. Thank you very much.

Mr. **Fazio**. Thank you, Mrs. Boggs.

Let's proceed. I want to hit on a couple of items.

INCREASE IN TRAVEL BUDGET REQUESTED

Ten percent increase in travel? Under the circumstances that is something that makes us cringe.

Mr. **Gibbons**. The ten percent includes inflation, I believe, Mr. Chairman. I think the ten percent is because that is for an overall budget increase and with the increased activity, we have increased travel. As I was telling Congresswoman Boggs, if OTA ever gets insular and starts dealing just with what it thinks is necessary with its own in-house staff, and starts only staying in town, then we are in deep trouble. Therefore, if we are going to increase our overall budget, we are going to need more travel.

OFFICE REFURBISHING EXPENSES

Mr. Fazio. What about office refurnishing, $70,000? Is that short term? A requirement?

Mr. Gibbons. That is something I would be able to put off, Mr. Chairman. We have reupholstered things and we can do it some more. We would like to keep the place decent because we do have a lot of people from not only in but outside of government. But that is one expense I would be willing to horse trade on.

Mr. Fazio. I am not looking to beat things out of you in a public session. On the other hand, let me say if we are providing for the capability of the entity, it will not be possible to fund every request. We have to assume 20 percent increases aren't in the cards. We hope we can get back into the good graces of our colleagues, however.

Dr. Boorstin's address from the barricades the other day had something to do with the starting of that process. Members are cutting back individually, as well as in the support groups. It is a difficult situation. We would like to be as helpful as we possibly can, knowing we still have to get a bill passed.

POSTPONEMENT OF TELECOMMUNICATIONS INVESTMENTS

The only other comment I want to make—and we don't need a response—is we are checking on the benefits of an overall telecommunications upgrade in the Legislative Branch versus the piecemeal approach the Congress was about to embark on. We would appreciate it if you could defer any equipment or service changes until we have had a chance to see how we might consolidate in terms of operation and maintenance costs and perhaps save some money.

Mr. Gibbons. We agree. In fact, our only proposal there is to increase the number of our WATS lines. We want to hold off until we can make a move, along with the rest of Congress, on the new equipment, Mr. Chairman.

Mr. Fazio. That is appreciated. Telecommunications is sometimes as important as travel.

Mr. Gibbons. Mr. Chairman, I forgot to ask if I may submit the testimony for the record. I reviewed there the areas where I believe amply illustrate the fact that in the past year, OTA has zeroed in on some of the most important technical issues for Congress and where that work has been used. I brought along one example: This is the farm bill and the paper clips are where OTA is utilized directly in the bill. I am pleased to see that our work is making that kind of an effect.

Mr. Fazio. With Congressman Brown and Congressman Evans, you could not fail to make an impact on the farm bill.

Mr. Gibbons. If the clips weren't there, we would be in trouble, yes, sir.

Mr. Fazio. Do get to copper eventually?

Mr. GIBBONS. We hope to get to copper and actually are working on that proposal now. There is some heat from the requesters saying we have delayed long enough now. We should be responding.

I might also add, Mr. Chairman, I would like to clarify this work on the SDI. It is basically the largest R&D line item activity in the entire Federal Government. It is an area in which the research is moving very rapidly. It seems to me it is quite appropriate, independent of how it emerged, for OTA to take another hard look at this issue.

Mr. FAZIO. I truly support it. I have more than just a passing interest in SDI. I am not trying to indicate an opposition to doing the study as much as to the way it was foisted upon the agency, the board, and this subcommittee.

Mr. GIBBONS. I agree.

CLOSING REMARKS

Mr. FAZIO. Thank you very much. We appreciate your attendance today, and all the staff that came along as well.

Mr. GIBBONS. I needed all the help I could get.

Mr. FAZIO. It was a virtuoso performance for somebody under the spell of the flu. We appreciate your work.

Mr. GIBBONS. We appreciate your support, Mr. Chairman.

MONDAY, FEBRUARY 24, 1986.

ARCHITECT OF THE CAPITOL

INCLUDING BOTANIC GARDEN AND LIBRARY OF CONGRESS

WITNESSES

GEORGE M. WHITE, ARCHITECT OF THE CAPITOL
WILLIAM L. ENSIGN, ASSISTANT ARCHITECT OF THE CAPITOL
WILLIAM F. RAINES, JR., ADMINISTRATIVE ASSISTANT
J. RAYMOND CARROLL, DIRECTOR OF ENGINEERING
BEN WIMBERLY, GENERAL COUNSEL
EMANUELE CRUPI, BUDGET OFFICER
EUGENE SERVARY, SUPERINTENDENT, HOUSE OFFICE BUILDINGS
PAUL PINCUS, LANDSCAPE ARCHITECT
TOM WARD, SUPERVISING ENGINEER, CAPITOL BUILDING

Mr. FAZIO. Today we have George M. White, the Architect of the Capitol and members of his staff to present the 1987 budget for a variety of activities under their jurisdictions, exclusive of those directly related to the Senate.

The estimates we will be considering total $86,472,000, which is a net increase of about $16.1 million or 22.8 percent over the sequestered FY 86 levels. There is also a $17,675,000 program supplemental. These figures do not include the Senate Office Building budget, which will be considered solely by the other body.

George, do you want to introduce the staff with you? We are more than happy to have you do that. We would at this time include your statement in the record and ask if you would like to summarize or highlight it.

STAFF INTRODUCTION

Mr. WHITE. Mr. Chairman, I have with me Bill Ensign, Assistant Architect of the Capitol; Bill Raines, Administrative Assistant; Ray Carroll, Director of Engineering; Ben Wimberly, General Counsel; Manny Crupi, Budget Officer; Eugene Servary, Superintendent, House Office Buildings; Paul Pincus, Landscape Architect; and Tom Ward, Supervising Engineer of the Capitol Building.

Mr. FAZIO. A familiar group after all these many years. Glad to have you with us.

Mr. WHITE. Thank you, Mr. Chairman.

Mr FAZIO. Mrs. Boggs would not want to be quoted as saying this, so let me ask, when are we going to be joined by a lady?

Think fast, George.

Mr. WHITE. We are already joined by a lady.

Mr. FAZIO. Mrs. Boggs had a more specific reference to your staff.

Mr. **White**. We have a number of ladies on our staff. Kathy Rohan from our Budget Office is sitting in the room right now.

Mr. **Fazio**. Kathy is doing an excellent job for the Committee. This might be good in-service training.

Mr. **White**. We have our Curator, Dr. Wolanin, who is not here with us today, but is head of one of our divisions.

Mr. **Fazio**. Mrs. Boggs knew that, but wanted to tweak you anyway.

Mr. **White**. She knows I favor the ladies.

Mr. **Fazio**. We understand that, George. We are asking for more comprehensive evidence of that.

Mr. **White**. That leaves the door wide open, Mr. Chairman.

Mr. **Fazio**. Yes, it does. We know it is wide open. We want something to pass through.

Mrs. **Boggs**. Ever since Abigail Adams' day, we have been asking.

OPENING STATEMENT

Mr. **White**. Mr. Chairman, in highlighting the statement which you have included in the record, I would like to say that our total appropriation is $111,845,000, which includes funding for 2,074 positions. It represents a net increase of $4,886,000 and an additional eleven positions over fiscal year 1986.

Stated differently, the gross increases requested are $24,467,000, which have been reduced by nonrecurring fiscal year 1986 program reductions amounting to $19,581,000.

If the item, Senate office buildings, is excluded, the $24,467,000 increase reduces to $16,923,000 of which $7,831,000 is for House office buildings, and four new positions.

CATEGORIES OF INCREASES

The restoration of the Public Law 99-177 sequestration which totals $3,023,000 or 18 percent of the increase is one of the six categories into which that total increase falls. The mandatory items which total $1,006,500 are six percent of the increase, which includes personnel benefits, premium pay items for existing positions, and within grade salary advancements authorized by law.

We are asking for new positions totaling $111,000, or one percent of the increase. Four additional positions are requested to provide needed staffing for the maintenance of the electronic systems, including security, CATV, fire and duress alarms and so forth.

Annual recurring maintenance, which totals $1,484,500 or nine percent of the increase. This category contains two significant increases, one of $486,900 for maintenance and rental of office and computer equipment, which is 33 percent of the total and which is a repeat of a request last year, and the other $700,000 for the purchase of electrical energy, which represents 47 percent of the total increase. The balance is spread among other items.

Cyclical maintenance is $1,501,000 or nine percent of the increase. These are long term maintenance items which arise only once in 10 or 20 years, such as roof repairs, sidewalk replacement, and so on. Four of the largest items, in monetary terms, are the reconditioning of the various air conditioning systems in the Capitol Building for $400,000, replacement of the central processors for the fire and life safety and security system in the James Madison Memorial Building for $265,000, the replacement of the raised floor in the HIS computer center in House Office Building Annex Number 2 for $140,000, replacement of sidewalks and various locations on the Capitol Grounds for $189,000, and various other items.

The last category is continuing and initiating other programs, which totals $9,797,000 or 58 percent of the increase. Included in this category are funds for such programs as contingent expenses, $135,000; the energy management program, $680,000; alterations to selected areas in the Capitol Building and House office buildings, $388,000; conservation of the Rotunda frescoed canopy and several wall paintings in the Capitol Building, $745,000; conservation of bronze doors and staircases in the Capitol Building and the Statue of Freedom model for $190,000; installation of two new elevators to provide additional service in the Madison Library, $650,000; construction of a catering kitchen for the House restaurants, $895,000; improvements to the Longworth fire protection, electrical power and telephone and data communications wiring systems, $4 million; building-wide smoke detection and voice fire alarm systems in the Capitol and House office buildings, $575,000; and a number of other items.

REVISED LANGUAGE REQUESTS

I should mention, Mr. Chairman, at this time that I have provided through inclusion in the requested 1987 appropriations language for the Capitol Buildings, pertinent language to increase the limitation of cost of H. Con. Res. 550 from $7,959,000 to $8,289,000 to provide for a graphics display system and additional x-ray package inspection units.

In addition, language has been included for the Botanic Garden to increase the limitation on travel expenses, not the appropriation, from $275 to $1,000 annually.

Finally, I have requested that our miscellaneous improvements be appropriated again on a no year basis. Many of our miscellaneous improvements begin in one fiscal year and are completed in the following one. When funds are appropriated on an annual basis, this creates accounting problems as well as funding problems.

There are three items for which supplemental funding is requested. The first is the initial phase of a program to replace electrical transformers containing hazardous PCBs—polychlorinated biphenyls—at a cost of $8 million. These funds are also requested to be exempted from the provisions of section 3709 of the Revised Statutes as amended, so that we may be able to preselect qualified contractors from whom to solicit proposals for the work.

Funds in the amount of $7,675,000 are requested to complete the security and aesthetic improvements to the East Plaza of the Capitol Building.

Finally, $2 million is requested for the purchase of electrical energy to cover the estimated energy costs for fiscal year 1986.

Mr. Chairman, that completes the brief summary. I will be pleased to answer any questions.

[The statement of Mr. White follows:]

STATEMENT OF GEORGE M. WHITE

ARCHITECT OF THE CAPITOL

In presenting our appropriations request for fiscal year 1987, Mr. Chairman, I intend to proceed, with your approval, in the same manner as has been the practice for the past several years, that is, to present a brief summary of the various requests, following which I will be pleased to respond in detail to questions regarding any of the specific items that you wish to pursue.

The justifications have been prepared, Mr. Chairman, to include all items pertaining to the "Architect of the Capitol," including House items, Senate items, joint items, and the Botanic Garden.

The total appropriation request for fiscal year 1987 is $111,845,000, which includes funding for 2,074 positions. This represents a net increase of $4,886,000 and an additional eleven positions over the fiscal year 1986 totals of $106,959,000 and 2,063 positions. Stated differently, gross increases requested are $24,467,000 which have been reduced by nonrecurring fiscal year 1986 program deductions amounting to $19,581,000 and the position request remains unchanged. If the item "Senate Office Buildings" is excluded, the $24,467,000 increase for 1987 reduces to $16,923,000, of which $7,831,000 is for House Office Buildings, and four new positions. The $16,923,200 increases, which excludes "Senate Office Buildings," fall into six categories, namely, Restoration of Public Law 99-177 Sequestration, which totals $3,023,000, or 18% of the increase;

Mandatory Items, which total $1,006,500, or 6% of the increase; This category includes personnel benefits and premium pay items for existing positions and within-grade salary advancements authorized by law.

New Positions, which total $111,000, or 1% of the increase; Four additional positions are requested to provide needed staffing for the maintenance of electronic systems, including security, CATV, fire and duress alarms and the like.

Annual Recurring Maintenance, which totals $1,484,500, or 9% of the increase; This category contains two significant increases, one of $486,900 for maintenance and rental of office equipment, which represents 33% of the total increase in this category and the other at $700,000 for the purchase of electrical energy, which represents 47% of the total increase in this category. The balance of $297,600 is required to finance normal maintenance responsibilities, such as repairs and improvements to electrical, air conditioning and other mechanical systems; procurement of supplies and materials and equipment; and painting. Of the total increase of $1,484,500 approximately $216,000 represents inflationary increases.

Cyclical Maintenance, which totals $1,501,000, or 9% of the increase; As indicated in the past, I define this category as long term maintenance items that arise only once in ten or twenty years, such as roof repairs, sidewalk replacement and so forth. Four of the largest items, in monetary terms, requested under this category are the reconditioning of various air conditioning systems in the Capitol Building ($400,000), replacement of central processors for the Fire and Life Safety and Security System in the James Madison Memorial Building ($265,000), replacement of raised floor, HIS computer center, House Office Building Annex No. 2 ($140,000), and replacement of concrete sidewalks at various locations on the Capitol Grounds ($189,000). The remainder of $507,000 is required for several items for property and equipment maintenance and replacement.

The last category is Continuing and Initiating Other Programs, which totals $9,797,000, or 58% of the increase; Included in this category are funds for such programs as Contingent Expenses ($135,000); an energy management program ($680,000); alterations to selected areas in the Capitol Building and House Office Buildings, ($388,000); conservation of the Rotunda frescoed canopy and several wall paintings in the Capitol Building, ($745,000); conservation of bronze doors and staircases in the Capitol Building and the Statue of Freedom model, ($190,000); installation of two new elevators to provide additional service in the James Madison Memorial Library, ($650,000); construction of a catering kitchen for the House Restaurants, ($895,000); improvements to the Longworth fire protection, electrical power and telephone and data communication wiring systems, ($4,000,000); building wide smoke detection and voice fire alarm systems in the Capitol and House Office Buildings, $(575,000); and $1,539,000 for several other items.

At this time, Mr. Chairman, I thought it appropriate to mention that I have provided, through inclusion in the requested 1987 appropriations language for the Capitol Buildings, pertinent language to increase the limitation of cost of H. Con. Res. 550 from $7,959,000 to $8,289,000 to provide for a graphics display system and additional x-ray package inspection units. In addition, language has been included for the Botanic Garden to increase the limitation on travel expenses from $275 to $1,000. And finally, I have requested that our Miscellaneous Improvements accounts be appropriated again on a "No Year" basis. Many of our Miscellaneous Improvements projects begin in one fiscal year and are completed in the following one. When funds are appropriated on an annual basis, this necessitates closing out project accounts at the end of the year and reopening them at the beginning of the year. Appropriating these funds on a "No Year" basis would avoid this unnecessary duplication of accounting.

Fiscal Year 1986 Supplemental Request

There are three items for which supplemental funding is required. The first is the initial phase of a program to replace electrical transformers containing hazardous polychlorinated biphenyls (PCB's) at a cost of $8,000,000. These funds are also requested to be exempted from the provisions of Section 3709 of the Revised Statutes, as amended, so that we may be able to preselect qualified contractors from whom to solicit proposals for the work. Funds in the amount of $7,675,000 are requested to complete the security and aesthetic improvements to the East Plaza of the Capitol Building. Finally, $2,000,000 is requested for the purchase of electrical energy to cover the estimated energy cost for fiscal year 1986.

Mr. Chairman, that concludes my brief summary and I shall be pleased to respond to questions that you and the Committee may have.

WEST FRONT PROJECT STATUS

Mr. **Fazio**. Thank you, George.

There are a number of items you touched on that we would like to talk about.

Questions or comments, anyone.

Mrs. Boggs.

Mr. Myers.

Before we move on to some of the questions, let me ask about two of the major projects underway on Capitol Hill, the first one being the West Front. Could you give us a status report on the project? How is the contract proceeding?

Mr. **White**. The contract is proceeding very well. We are well ahead of schedule and within budget. We are, as a matter of fact, at this point, approximately 190 days ahead of schedule. If that should continue—and we have no reason to believe it won't, except for continuing bad weather beyond that which is already built into the schedule, or unforeseen strikes or something of that nature, we see no reason why that reduction in the contract time will not continue to prevail.

The structural work is completed, or 99 percent completed, so that the biggest fear that I had with regard to the possibility of some increased costs arising has gone, in that the structure of the building has now been restored, the building is locked together structurally, and for the foreseeable future should give us no further difficulty.

The portico I would guess is a couple of months away from completion. We did not have to do a major part of the work, as we had thought we might, and that is to completely take it down and start over again, which was the original plan. As the paint was removed and we examined the details of the stonework and were able to examine and reexamine the structure, it was determined that we could restore the structural integrity of the columns by drilling down through them and installing stainless steel rods through the drums of which each column is composed in order to tie it all together.

In addition to that, one capital needed to be replaced, we felt. Stone, as you are aware, is not homogeneous. In different parts of the quarry some is softer than others. One of the column capitals was in bad condition and in need of replacement. The others we did not replace. They are worn and they show signs of age, but don't look like they will deteriorate further. We did not replace them.

The structural restoration portions of the portico, particularly in the top, have all been completed. Reinforced concrete has been installed. Post tensioning of the stones has all been completed. So we are now primarily working on the replacement of broken and worn stones in the facade. That will go on until the completion of this contract, which should be sometime in the fall of 1987, if all goes well.

PROJECT SCHEDULE AHEAD

Mr. **Fazio**. How much is it ahead of schedule by?

Mr. **White**. We anticipated finishing in November of 1988, so we think we may gain about one year. An item which we intended to do in phase 4, which is the bird proofing, we think we can now do in this second phase and pick up all of the time at the end. We think we can save some money by doing it now, using the existing scaffolding. We originally thought we should not do that until after the walls had been repainted and recoated. We think now we can do it before then and still have a proper repainting and recoating job. So we are looking into that at the moment.

We think that by the fall of 1987, if I am not mistaken, by the fall of 1987 we should be——

Mr. FAZIO. Perhaps a year ahead of time?

Mr. WHITE. Almost a year ahead of time. If we are lucky with everything.

Mr. FAZIO. Let's not start counting our chickens yet, but it looks good?

Mr. WHITE. That is right. We are six months ahead on this contract. By combining certain work in the other phases, we may be able to do it in less time.

Mr. FAZIO. It looks like you are going to save us some money, too. It is important to put on the record that your estimates are apparently going to be on the high side, but it is also important to remember that there were serious questions concerning contingencies in what you would encounter once you became involved in the project. It is particularly wise that you made a conservative estimate and were not required to ask for additional funds simply because we hoped for the best. We did the right thing.

Mr. WHITE. I agree, Mr. Chairman.

As a matter of fact, as I said earlier, the area of strongest concern was the structural portion of the restoration. We proceeded in what we thought was the most prudent way by making test drillings with a separate contractor and then writing the specifications for the main contractor based upon those tests. We proceeded as prudently as we could in order to safeguard against the possibility of some major structural problem which could have cost massive amounts of money.

So we have come through that very fortunately, through the wisdom of the committee in providing us the opportunity to bid without regard to section 3709 of the Revised Statutes as amended. We were able to select good contractors. All of that helps in the whole process, but the availability of the funds was a necessity in the beginning.

Mr. FAZIO. I have a question for the record to be submitted at this point.

[The question and response follow:]

WEST FRONT RESTORATION

Question. What is the current time schedule for completing the project and how does that compare with the original schedule?

Response. The major construction contract is approximately 50% complete and remains under budget. The completion date required by the current contract is February 11, 1988. The contractor is, however, now approximately 190 days ahead of that schedule.

As of February 15, 1986, all structural reinforcement has been completed in the foundations, and superstructure reinforcement is 99% complete. The only significant remaining structural work involves the retaining walls and slabs around the utility tunnels at the base of the walls in the two courtyards.

Stonework on all walls is approximately 45% complete. The contractor has substantially finished preparation of shop drawings and plaster models for the remaining replacement ashlar stones and carved elements. The dismantling, repair, and replacement of balustrades and entablatures is underway on four of the eleven walls.

The structural repairs to the portico are complete, including the work of constructing new reinforced concrete beams and slabs, setting and post-tensioning new and existing architrave stones, and reinforcing the entire heights of existing columns. Remaining work at the portico includes installing a new copper roof, continuing repair of stones on the facade behind the columns, and window replacements.

Sample windows have been fabricated and tested, and a prototype installation of new windows will begin shortly. Construction items not covered under the present contract include birdproofing and finish painting which will be started after completion of the preceding work in 1987.

LIBRARY OF CONGRESS RESTORATION

Mr. FAZIO. Let's talk about the restoration and renovation of the Library of Congress. Could you update us on that particular $81 million effort.

Mr. WHITE. Yes. The first portion of work which had to do with the interim occupancy is virtually completed, that is 99 percent completed. There may be a few small items that are in process right at the moment.

INITIAL BIDS RECEIVED

The bids for the construction portion of so-called Phase 1 have been received. We have been in the process of negotiation with the several contractors who have bid, and we are, within the next week, going to award a contract. The contractors don't know this yet. This is hot off the press, as it were, as of this morning. We are within our budget for that portion of the work, which is a major part of the work. It is probably 20 percent of the work or more, maybe 25 percent of the work, so we are within the budget. The figures have come in as predicted. We have done some shifting in order to minimize the expenditure and maximize time. We have had some delays in reaching this point. We are nine months behind where we thought we would be at this time.

On the other hand, we believe that that will not affect the final completion date. We have, through a better, more sophisticated scheduling process, determined that we would be nine months ahead of schedule if it weren't for the fact that we lost these first nine months, so at this point we believe we are even. We will be able to pick up some time in areas, for example, such as the requirement for interim occupancy in Phase 2, and we are still predicting completion at the same time as we did earlier. We are very pleased with how it is going, and will of course keep you informed as we have been through our periodic reports.

Mr. FAZIO. Very good. I have some questions to submit for the record.

[The questions and responses follow:]

LIBRARY OF CONGRESS RENOVATION

Question. We appropriated $81 million for the Library restoration projects. Explain the status of the project.

Response. The Phase I Interim Occupancy Work is substantilly completed in both the Thomas Jefferson and John Adams Buildings. Some minor work remains in the

Thomas Jefferson Building, and the Second Floor of the John Adams Building was completed in late February 1986.

The permanent restoration work on the Fourth Floor of the John Adams Building is proceeding within budget and on schedule. The remaining work in the Mechanical Equipment Rooms will complete the restoration activity for the Fourth Floor. The projected completion date for LA4 is June 1986. As stated in previous reports to the Appropriations Committees, this date will not impact the start of Phase I Construction.

The Construction Branch is continuing to perform "in-house" Phase I Demolition in both buildings. This activity also includes the installation of dust/security partitions which will act as a barrier between the Phase I Construction Area and the occupied spaces. The in-house demolition work is scheduled to be completed in March 1986. This date is contingent upon the release of the remaining areas by the Library of Congress.

Proposals were received for the Phase I Architectural, Mechanical, and Electrical work on January 30, 1986. Certain clarifications, additions, and deletions to the Phase I Requirements were forwarded to the responsive offerors on February 12, 1986. Best and final offers were submitted on February 21, 1986. The award date for this work was February 26, 1986.

During the last reporting period, substantial time and effort was directed towards the planning aspects of the Phase I, Package II Contracts. These contracts include Colonnades, Specialty Painting, and Display Cases. The individual project handbooks and qualification questionnaires which were prepared are presently being evaluated by the appropriate in-house staff. These contracts will be awarded during the early stages of Phase I Construction.

Design work is also proceeding on the Air Conditioning Modernization Phase being prepared by our Consulting Engineer, Lee Thorp.

An exterior window redesign study is underway by the firm of Kemnitzer, Reid, and Haffler. The preliminary results of their study are due in April 1986.

The latest update to the Project Schedule indicates that Phase I Construction (NTP #1) will occur in March 1986.

Question. Is the Library cooperating with moving staff and operations to give you room to work?

Response. Yes, the Library has cooperated in all phases of the work thus far.

Question. How does the current time and cost schedule compare with the original? Supply the original and current schedule.

Response. The following information was supplied for the record.

UPDATE OF MILESTONE SCHEDULE

Description	Start		Finish	
	Original	Revised	Original	Revised
I Phase I Interim Occupancy (including Alterations to Fourth Floor—JAB).	November 1984	September 1984 (actual)	June 1985	March 1986
II Phase I Construction.	June 1985	March 1986	October 1987	February 1988
III Phase II Interim Occupancy.	October 1987	March 1988	June 1988	December 1988
IV Phase II Construction.	June 1988	December 1988	November 1990	November 1990

The work to be performed under Milestone I was originally scheduled to be completed by June 30, 1985. We now project that this work will be completed in March 1986. The primary cause of this delay was the defective sprinkler heads which had been provided and installed with funding from an earlier appropriation. A secondary cause of delay was the timing of the submission of layout drawings prepared by Library of Congress staff for the interim occupancy requirements. This information was conveyed to the Appropriations Committees in the Second Six-Month Progress Report which was forwarded on December 10, 1985. The remaining work to be completed under Milestone No. I will not impact the start of the Phase I Construction activity.

Phase I Construction was originally scheduled to begin in June 1985. The revised scheduled start date is March 1986. This 9-month delay in the award of the initial Phase I Contracts is directly attributable to the requirement, subsequent to the completion of documents for a single construction contract, to maximize competition through a strategy of individual contract packages. This process involved developing an overall packaging concept, developing the individual contract packages and handbooks, revising all drawings and specifications to reflect the packaging concept and review and approval of the final product. The drawings and specifications were modified in a joint effort by our Associate Architect, Scheduling and Cost Consultants, and Architect of the Capitol personnel to incorporate this requirement.

Also contributing to the delay in the award of the initial Phase I Contracts were specific requests by the prequalified contractors to extend the proposal due date. Our initial proposal due date had been established at December 20, 1985. This date was ultimately extended at the request of the offerors to February 21, 1986. The actual award date was February 26, 1986.

These delays in awarding the Phase I Contracts have not had a significant impact on the costs for the project or the overall completion of the project. The scheduled completion date for the project remains as November 1990, because the original milestone completion dates for the Phase I and II construction periods were established before in-depth analyses of the entire construction process were completed and were based on linear schedules for the different trades. By overlapping the activities included in the phases and developing a more refined planned sequence of construction events, the schedule for completion of the project has realized an overall reduction in time of approximately 9 months. Had it not been for the 9-month delay for packaging documents the project completion date would be approximately February 1990 in lieu of the presently scheduled completion date of November 1990.

SUMMARY OF PROJECT FUNDING

[As of January 31, 1986]

Work performed to date	Allotment	Obligations	Unobligated balance
Administrative	$3,264,000	$525,860	$2,738,140
Overhead	100,000	28,342	71,658
Consulting	3,800,000	1,384,587	2,415,413
Milestone I costs	2,140,359	1,485,154	655,405
Miscellaneous	55,773	55,773	
Balance of project	71,639,868		71,639,868
Total	81,000,000	3,479,716	77,520,284

DETAIL OF MILESTONE NO. I FUNDING SUMMARY—INCLUDING "IN-HOUSE" DEMOLITION WORK

[As of January 31, 1986]

Description	Allotted amount	Total obligations	Funds remaining	Percent—	
				Work complete	Funds obligated
Int. Occ. TJB	$345,000	$320,817	$24,183	100	93
Int. Occ. JAB	125,000	81,383	43,617	98	65
Spec. Demo. 2nd Floor TJB	115,359	102,426	12,933	100	89
Alt. to LA4	1,077,000	867,910	209,000	81	81
In-House Demo	319,000	93,469	225,531	54	29
Inst. Dust/Security. Partitions	51,000	19,063	31,937	42	37
Cable Tray Inst	108,000	86	107,914	3	1
Total	2,140,359	1,485,154	655,205	73	69

All of the above work has been performed utilizing Architect of the Capitol "in-house" forces. Our rationale for utilizing in-house forces for work other than interim occupancy and the Alterations to the Fourth Floor of the John Adams Building was to achieve cost savings and to accommodate the Library of Congress' concerns over sensitive areas.

This information was previously transmitted to the Appropriations Committees in the Six Month Progress Reports which were forwarded on May 22 and December 10, 1985, respectively.

1988 INAUGURAL SITE

Mr. FAZIO. Are there any questions by my colleagues on those two major efforts?

Mrs. BOGGS. I would like to congratulate everyone concerned with the careful planning that has gone into the restoration of the West Front. Since the West Front restoration seems to be ahead of schedule in a significant way, perhaps it can be ready for the 1988 inaugural?

Mr. FAZIO. That has been in my mind as well.

Mr. WHITE. Yes, it will be ready.

Mrs. BOGGS. What about the West Terraces? Are we proceeding in any way with the restoration of the terraces?

Mr. WHITE. No, we are not yet. We have a request for the use of some of our existing funds for a structural study to be made, and we have asked the Commission on the West Front to approve that proposal. It is a small amount of money, but it nevertheless requires their approval, and there has been no disapproval; I am in the process now of getting a letter from the chairman to confirm that. at which point we will then hire some structural engineers.

We have some structural problems in the stairways and in the terraces. If you notice some time when you are down there in what is called the exedra, the curved portion around the fountain that is at the bottom of the terraces, you will see stones leaning out, from the pressures of the earth in behind; it is obviously in need of some help, and it is going to take a more detailed structural analysis than we have in-house capacity to provide, which is the reason for this request. So when that is completed, we will probably make a proposal for some restoration in addition to the structural work, since once it is taken apart, we might as well do it all.

Mr. FAZIO. Are there any other questions?

Let's proceed. You have been very helpful.

Mr. WHITE. Mr. Chairman, if I may.

Mr. FAZIO. Yes.

Mr. WHITE. I just wanted to thank Mrs. Boggs for the kind words, and to say that the people that you see behind me here are the people that are doing it all. I sort of hold the reins, and I don't even have to crack a whip. They are all doing a good job.

Mr. MYERS. Do they have to?

Mr. WHITE. They depend on you for that, I think, but the reason that these good experiences develop is because of the good people that we have.

Mr. FAZIO. It looks like you are on the verge of a very clear triumph on the West Front, and I am optimistic that the record will be extended with the Library of Congress. You are encouraged to keep up with the good work, and we will all be there to take credit. John.

SOLAR COLLECTORS

Mr. MYERS. Didn't we buy some solar units a few years ago?

Mr. WHITE. Yes.

Mr. MYERS. What happened? What is the story on the solar units?

Mr. WHITE. They are in operation on the roof of House Office Building Annex No. 2. We spent $1.5 million, as you may recall. There was $3 million authorized, $1.5 million for the roof of Annex No. 2, and another $1.5 million for the Rayburn Building, which has never been appropriated. It is in operation. It is saving money, in a way. If we were to take into account interest on investment and that sort of thing, it might be difficult to justify. It is about a 30-year payoff period, if I am not mistaken. It will pay for itself in about 16 years or so, without taking that into account.

Mr. CARROLL. Approximately that.

Mr. WHITE. It is in operation, doing work, and it is as it was intended to be, a demonstration of support for that sort of technology.

Mr. MYERS. Thank you.

GRAMM-RUDMAN SEQUESTRATIONS

Mr. FAZIO. Thank you, John.

Let's talk about the Gramm-Rudman reductions. You have had $3.2 million sequestered. How did you handle this $3.2 million sequestration, George?

Mr. WHITE. Mr. Chairman, we are handling it in several ways. We are primarily doing it on the basis of reduction of overtime and not filling vacancies. There are also some deferred items or postponed items which we have included in our sequestration amount that is a saving this year, but is a postponement to some future time.

In that regard there will be some reduction in services, as the year goes on, as we don't fill vacancies, and so on. We hope not to have those as detrimental as they might be, by making judicious choices. If, for example, we reach the point where we don't have enough opportunity in the form of labor, or funds to provide labor, to do all the painting that we need, we might let that go in order to make sure that the roof gets repaired, or such things as that. There are some things that if neglected I think are obvious will only cause greater expenditure later on.

We might reach the point, depending upon what happens to our funding needs for electrical bills that we get from Pepco, where we may have to cut back by raising the chilled water temperature in the summer, which will cause some temperatures to rise, I would guess.

In addition to that, however, it will affect our capacity to keep the humidity down in buildings, which again costs money in the long run, through additional maintenance. We did that in this building, thinking we were saving money for a couple of years, and we ended up, as I think you are aware from looking at the building, having to replace a lot of the plaster that began to peel off the walls. So to some degree we hope that we will be affected as little as possible, by some judicious choices of how we save the money.

MAINTENANCE FREQUENCY REDUCTION

For example, even if we don't paint one year in some areas, there is a ripple effect that results. It means you have to paint twice as much at some future time. If you are going to maintain buildings at a certain level, the way to do it is obvious. It is like going to the dentist twice a year, on a preventive maintenance basis.

If you don't do that, it ends up costing more. Everybody has his or her own reasons why you should take it away from somebody else and not from me. We are not saying that. We are merely saying this is not our budget, it is your budget, and we are here to tell you what will happen in the event that it is cut back dramatically.

Mr. FAZIO. That is all we can ask.

PROGRAM FOR ENERGY CONSERVATION

Have we accomplished all possible energy conservation?

Mr. WHITE. No, we have not. Our energy management and control system, as you know, is in process of installation. We have an additional request in this year to further implement it. It hasn't been fully implemented. As a matter of fact, the computer software program is being bid right now for the power plant. Of course it doesn't operate without that. We put our own computers in the Supreme Court as a pilot program, to make sure that we were proceeding in a proper way. It is similar to constructing a building, Mr. Chairman.

Mr. FAZIO. Yes.

Mr. WHITE. We are familiar with that. You have to spend a lot of money before you can occupy the building.

Mr. FAZIO. Will the process allow temperature to be automatically modulated?

Mr. WHITE. Yes.

Mr. FAZIO. Once the problems are known?

Mr. WHITE. Yes. It will predict within its own program what will happen, and therefore we won't have overruns of getting too hot or too cold, in anticipation of something that doesn't occur.

AMORTIZATION PERIOD

Mr. FAZIO. What is the projected amortization period for the additional cost?

Mr. WHITE. We predict, as provided in the justifications, that there will be a 21-to-1 savings. We predict a savings over the next 15 years.

Mr. CARROLL. 15, if I remember the NBS study.

Mr. WHITE. For repayment?

Mr. CARROLL. Savings to investment ratio, 20.8 to 1. I am certain it is 15 years.

Mr. FAZIO. GAO submitted material for the record a year or two ago on this.

Mr. WHITE. Yes, we predicted and they corroborated, a savings of some $71 million for the expenditure of roughly $3.5 million. There will be dramatic savings once it is in operation.

Mr. FAZIO. Some of the savings may have been eroded by declining oil prices, but I want to continue to fulfill our plans. The prices will not be down forever.

Mr. WHITE. Furthermore, Mr. Chairman, that prediction was not based on continually increasing energy costs and that can be corroborated here. It was based on the energy costs at that time.

Mr. FAZIO. That is correct. They were higher than they are now. However, because there are a mix of sources from Pepco, the energy costs may not be down that much. Let's continue our plans to the extent that we can afford.

Mr. WHITE. If you would provide us with the funds for that purpose.

Mr. FAZIO. I was operating on the assumption you would intervene at that point.

Is there data to be inserted in the record?

Mr. CARROLL. The information on the EMCS project is provided.

[The information follows:]

The following extract is from the annual report on the Architect of the Capitol's Program for Energy Conservation. It summarizes a cost analysis performed on the proposed energy management program using the National Bureau of Standards Life Cycle Cost Analysis for Federal Energy Management Programs. The analysis indicates that a savings to investment ratio of 21 to 1 may be obtained through avoided energy costs if the proposed program is completed.

APPENDIX K—NATIONAL BUREAU OF STANDARDS LIFE CYCLE COST (NBS/LCC) ANALYSIS

The NBS/LCC Analysis incorporates certain uniform factors for all federal buildings. The discount rate for money is established at 7%. Energy cost escalation rates for our region as prescribed by the Department of Energy are as follows:

Electrical—5.29 percent for each of the next 2 years, 0.66 percent for each of the next 5 years, and 0.14 percent for each of the next 8 years.

Steam—6.04 percent for each of the next 2 years, 2.36 percent for each of the next 5 years, and 0.9 percent for each of the next 8 years.

Base year FY 1983 average energy costs of 5.609 cents/KWH for electricity and $7.38/1000 lbs. for steam were used as a baseline in the calculation. Actual KWH used was 279,906,239 at a cost of $15,358,714 and actual steam used was 1,003,000 thousand pounds at a cost of $7,402,140.

The EMCS is anticipated to save 5% of both the electrical and steam energy normally consumed. It is projected that during the first two years of the installation of the system, no energy is saved. In the third year, 1% of the total energy is saved with an additional 2% per year in the fourth and fifth years. At the end of 5 years, 5% of the total energy consumption is thereafter avoided. Anticipated energy consumption both with and without an EMCS is illustrated in the attached graphs.

The expected life of an EMCS is 15 years according to the Department of Defense and, therefore, a 15 year study period for the NBS/LCC Analysis was used.

For uniformity, all Federal agencies are required to use a "present value" basis for evaluating energy conservation and renewable energy projects for their 10-year building plans and Solar Federal Buildings proposals. Present values are being used in preference to annual values because the present value conversions are needed in any case to incorporate the future escalation of energy prices.

Cash amounts that occur at different times should be adjusted to a common time basis for a valid economic analysis. In general, that common time might be (1) the present, whereby all cash amounts are converted to an equivalent value occurring now; (2) annually, whereby all cash amounts are converted to an equivalent value occurring in a uniform amount each year over the study period; and (3) the future, whereby all cash amounts are converted to an equivalent value occurring at some common time in the future, although future time bases are not often used.

The effect of discounting is to reduce the present value of future cash amounts. The higher the discount rate, the lower the present value equivalent of a future amount; the farther into the future the cash amount, the lower its present value equivalent.

There are several different ways of combining the data on cost and savings from a project to evaluate its economic performance. For making evaluations of potential Federal Energy Management Project (FEMP Projects), the required modes of analysis are: (1) Total Life-Cycle Costs (TLCC), (2) Net Life-Cycle Savings (NS), (3) Savings-to-Investment Ratio (SIR), and (4) Payback Period (PB). The first three of these are fully consistent with an LCC approach, in that they take into account all relevant values over the entire study period and discount them to a common time basis. The fourth, the payback period, is not fully consistent with an LCC approach because it may not include all values and, in its simple version, does not adjust values for time differences. It is used in the LCC Rule only as a supplementary measure to the life-cycle costing measures.

The cost effectiveness of a project is indicated when any of the following conditions are met: (1) The TLCC of the building is lower with the project than without it; (2) the NS from the project is greater than zero; (3) the SIR is greater than one; or (4) the payback period for the project is shorter than its expected life.

Specifically, for the AOC EMCS, three modes of analysis are used and the results are as follows:

	Thousands
TLCC without the project	$3,142,680
TLCC with the project	3,071,080
Net life-cycle savings	71,604
Savings to investment ratio	20.8

The TLCC without the project is a 15 year summation of escalated costs for energy. Included in the TLCC with the project is the investment cost and an annual maintenance of 15% in addition to the same escalated costs for energy but with the 5% savings of energy.

Total Life Cycle Costs are the sum of all significant dollar costs of a project, discounted to present values. A building system that lowers the TLCC while meeting performance requirements can generally be held to be cost effective.

Net Life-Cycle Savings are the decrease in the TLCC of a building system which is attributable to an energy conservation project. It is found by subtracting the TLCC of the building system with the energy-conserving project from the TLCC without the project.

An equivalent way of defining NS is "the difference between the decrease in energy costs attributable to a project and the increase in other costs attributable to it". A positive NS can generally be held to mean the project is cost effective; the higher the SIR, the greater the dollar savings per dollar spent.

The Saving to Investment Ratio, in this instance, is:

$$\frac{3142680000 - 3061980000 - 5486340}{3614220} = \frac{21}{1}$$

The reduction of energy costs minus the maintenance costs all divided by adjusted investment cost. Reducing the investment cost by 10 percent for use in the LCC evaluation is an adjustment designed to encourage Federal energy conservation. The 10 percent reduction was modeled after the 10 percent tax allowed to business for energy conservation by the Congress.

Based upon the assumptions described herein, the EMCS project is highly cost effective.

COST OF 24-HOUR COMPUTER OPERATION

Mr. **Myers**. On energy costs, you were speaking about the increased use of computers, I remember last year I asked about running these computers 24 hours, seven days a week. I don't think I heard back from you. Is that the way we should operate them? Is it cheaper to turn them off at night and save energy?

Mr. **White**. The manufacturers vary in their judgment but they seem to say it is better to turn them on and leave them on. While it may cost more energy, it is lower cost in the long run in terms of maintenance and other problems with the units.

Mr. **Carroll**. I must say I don't necessarily agree with the manufacturers' advice. That is a simplistic answer for the manufacturer. It gets them out of a lot of trouble.

Mr. **Myers**. They wear out because they were running, although nobody was using them. They can sell new ones.

Mr. **Carroll**. That is partially true. That is human nature when you are selling something, but it is very difficult to get people to turn them off. Through our building superintendents, we try to pass that word around, but it sometimes is not heard.

Mr. **Myers**. You suggest they be turned off?

Mr. **Carroll**. We do, but we are fighting the supplier.

Mr. **Fazio**. Ed Lombard, who knows a good deal about the subject of computers, agrees with you. Instruction should be issued to Members of Congress, all agencies, we should not leave this to the manufacturers or building superintentdents.

I agree with you, John. If we can get our people to agree, including the procurement people at the House Administration Committee and others we could save some money.

Mr. **White**. That include individual congressmen who may be more interested in what their supplier suggests.

Mr. **Fazio**. That is the point. You should advise Members and staffs about the best policy. It is impossible to turn light bulbs or computers off in every instance, but our message to reduce consumption should be clear.

LETTER TO MEMBERS

Mr. **Myers**. Can the Speaker put out a letter to all Members?

Mr. **Fazio**. Something like that. We do want to initiate effective action.

Mr. **White**. If you would like, Mr. Chairman, I would be glad to initiate such a process.

Mr. **Fazio**. You must consider the interest of HIS and others. It might be useful to have the experts in agreement. Perhaps, then it would be more effective.

Mr. **White**. I would be glad to initiate the process.

NO FURLOUGHS OR LAYOFFS

Mr. **Fazio**. Thank you.

Thank you, Mr. Myers, for entering your concern.

Let's go back to the discussion on the Gramm-Rudman sequestration. Will furloughs or employee layoffs be necessary?

Mr. **White**. We have not had to do that, and do not intend to in the foreseeable future, Mr. Chairman. We think that with our vacancy rate, by reducing what is sometimes called scheduled overtime, and through our predicted lapse rate, that we will be able to accomplish our purposes.

Mr. **Fazio**. Have you considered on-call contractors to handle work that is currently preformed by in-house staff?

Mr. **White**. That might or might not be useful. Let me say two things.

MAINTENANCE CONTRACTS

Mr. FAZIO. We have discussed this previously.

Mr. WHITE. We have.

We are just now about to go to the private sector for trash hauling. We expect that it will save about $80,000 a year by going to the private sector. That is the sort of activity that lends itself to contractual arrangements quite well. There are a lot of private sector trash haulers, and a number of years ago, we looked into the question of elevator maintenance by the private sector, it turned out that it was going to cost a lot more. There is a certain amount of ongoing maintenance that needs to be done, and it takes a certain number of people to do it. Employees in the private sector are paid more than our people by a considerable amount.

Our tradespeople earn on the average approximately $12 an hour, whereas in the private sector they earn around $19 an hour, and then you have to add overhead and profit; as you are well aware, if you call a repairman to fix your washing machine at home, it is a $50 bill just for him to turn up.

Mr. FAZIO. There is heavy competitive bidding at various times in the economy. It is possible to contract at attractive prices.

Mr. WHITE. That is correct.

Mr. FAZIO. Although they are not always available when the market is such.

Mr. WHITE. That is possible in certain areas.

Mr. FAZIO. I am not speaking about all areas.

Mr. WHITE. Many of the areas that we have are very specialized. There are generally not contractors available, unless you talk about cleaning buildings, then that is possible. I might say in another regard we have another factor that is often overlooked, and that is the one of security. Our people work in many restricted areas, secure areas. That is not an insuperable problem, but it is one that would need to be faced under those conditions.

Mr. FAZIO. They are bonded, aren't they?

Mr. WHITE. It isn't a question so much of bonding, which is a matter of financial obligation. It is a matter of passing some kind of minimal security test for people who want to plant bombs, for example. I don't say that is a major obstacle but it is one that needs to be taken into account.

Mr. FAZIO. We would like you to perhaps respond for the record on that point.

[The information follows:]

This is a similar question as that relating to hiring of part-time outside electronics technicians. However, there are such personnel available as compared to a lack of qualified electronics technicians available on a part-time basis. We do, in fact, hire additional air conditioning mechanics when we have projects that involve the renovation or modification of existing systems. We do not use outside part-time personnel for daily maintenance due to their lack of familiarity with the equipment, the higher cost, their non-availability to perform immediate repairs when needed, and our general concern for security when using out-side personnel.

LONGWORTH ELEVATORS

Mr. FAZIO. You touched on the issue of elevators. As one who has resided on the back side of the Longworth for most of my years here, can I make a plea for the replacement of the elevators in that section of the building, at both corridors. They are absolutely miserable elevators, slow, unattractive, and are always under repair. They turn into involuntary locals, which stop at every floor. Is there anything that will give me hope?

Mrs. **Boggs**. You can move.

Mr. **Fazio**. Mrs. Boggs has probably put a finger on my solution.

Mrs. **Boggs**. That is what I did.

Mr. **Fazio**. When my number gets high enough, if for no other reason, I will move to the Rayburn. There will be someone who will take my place, and on behalf of that generation of Members, give me some hope, George.

Mr. **White**. Mr. Chairman, there is no reason why that situation cannot be rectified. The kinds of things that you are describing can be rectified and will be. The thing that we cannot help is excessive traffic or more people in the building requiring vertical transportation than the vertical transportation can handle. There is not much we can do about that. We can do a little, but not much.

We will look into those particular elevators and see what we need to do in order to solve that.

Mr. **Fazio**. Do you have an analysis of your elevator problems?

Mr. **White**. Yes.

Mr. **Fazio**. I would be surprised if the Longworth elevators aren't at the top of the list.

Mr. **White**. Let me assure you that the building superintendent is here, Gene Servary. He is listening to everything we are saying. I am sure that some benefits will be apparent in the near future.

CAPITOL ESCALATORS

Mr. **Myers**. The escalators in the Capitol which come up from the Rayburn subway; it has been down several times in the last year. One of the repairmen said it's because it is running in the wrong direction. It was built to run the other way. Is there anything to that?

Mr. **Carroll**. No, they are built to run both ways.

They were changed to run in the opposite direction after a rather extensive study.

Mr. **Myers**. That is the most ridiculous thing I ever saw. Why weren't the elevators changed instead of the escalators. It is now necessary to fight the crowd to reach the far elevators.

Mr. **Carroll**. We could turn the whole thing around again.

Mr. **Myers**. I often wondered who dreamed that up.

Mr. **White**. The problem was with the wiring of the elevators. The two elevators are wired differently from the one that is the Members' elevator, and there were some costs associated with that and it seems so simple just to reverse the escalators. It didn't cost anything, so that was the reason it was done.

Mr. **Myers**. The two closest to the floor would be so much handier. You would just have one to reverse. That is your job. I am not an engineer.

Mr. **White**. Let me assure you that the fact that one runs up and the other one runs down has nothing to do with the reasons for its being out of commission.

Mr. **Carroll**. No.

Mr. **Myers**. The repairman said they are running in the wrong direction.

Mrs. **Boggs**. Did it occur to you, John, that things are so bad around here that now there has to be a sign next to the Capitol escalators that says "Keep Left"?

Mr. **Myers**. I wasn't going to comment about that.

CAPITAL EXPENDITURE REDUCTIONS

Mr. **Fazio**. Yours is the only agency that hasn't had to make personnel cuts. Is that the due to the flexibility in capital expenditures in the Architect's budget?

Mr. **White**. Yes, and the opportunity to postpone some of those, as you see. There are fairly large sums there.

SALARIES, OFFICE OF THE ARCHITECT

Mr. **Fazio**. Under "Salaries, Office of the Architect," you are requesting $5,606,000 and 140 positions for 1987. That includes four new positions.

GARAGE ATTENDANTS

Mr. **Myers**. On the salaries, Mr. Chairman, you know last year we got raked over the coals a little bit, first on elevator operators and then garage attendants.

Has there been any change in the number of people in either of these capacities?

Mr. **Raines**. Three of those positions have been abolished through attrition.

Mr. **Myers**. We agreed with Mr. Conte about cutting back overtime.

What is the understanding you have as to how that will be implemented?

Mr. **Raines**. It is a total of 10 positions to be abolished through attrition, Mr. Myers.

Mr. **Myers**. Over what period of time?

Mr. **Raines**. There was no stated period of time. As they retire.

Mr. **White**. Three of those are apparently now abolished as a result of retirement.

Mr. **Raines**. We did not receive funding for those 10 this year.

Mr. **Fazio**. You did not receive funding for those 10?

Mr. **Raines**. No, sir.

Mr. **Fazio**. Is there inadequate funding for the remaining seven positions?

Mr. **Raines**. There was a reduction in our account of $230,000 for those 10 positions. With the understanding, I believe, if we did not reach 10 through attrition, that we might have to seek a supplemental request for funding.

Mr. **Fazio**. And it looks like you will not reach that?

Mr. **Raines**. At the present time, it doesn't look that way. But we are still trying to absorb this cost.

[Discussion off the record.]

ELEVATOR OPERATORS

Mr. **Myers**. How about elevator operators? I know we had an amendment offered to abolish all elevator operators, which was defeated. It might be passed next year with Gramm-Rudman. Some people might rather see additional office workers rather than elevator operators.

Mr. **Fazio**. There will be pressure on us. The elevator operator situation, even though I am a dear friend of Hank Brown, has been vastly overdone.

Mr. **Raines**. We have a total of 49 operators. That is down from 152.

Mr. **Fazio**. We have taken that issue up front to create an awareness of the issue.

Mr. **Myers**. Will it come up again?

Mr. **Fazio**. It could very well.

The garage positions are even more difficult to handle.

Mr. Lewis.

Mr. **Lewis**. Could I ask another kind of question about some of the personnel involved? There were some discussions of the movements of garage attendants around from one building to another.

Can somebody explain to me how that occurs and what that issue is?

Mr. **White**. We can tell you what we know about it. Bear in mind that we are a conduit for the payment of the garage attendants, but we have no jurisdiction over them. It is very similar to the nurses that work for the Capitol physician. We pay them, but they are under someone else's control.

We understood, however—and Bill Raines may be able to tell you what is happening——

REDUCTION THROUGH ATTRITION

Mr. **Fazio**. I know Mr. Conte, if I could just interrupt, is not interested in firing people. That was made clear last year. He was hoping, through this approach, that the attrition rate needed to attain the reduction could be accomplished.

He would not object personally to allowing attrition to accomplish the reduction.

Mr. **Raines**. The transfer or shifting of personnel is a program that was initiated by the Superintendent of Garages. I believe his idea was just simply to provide cross-training, familiarization with other activities going on in the garages. That plan was not implemented because, as I understand it, there was a lot of pressure, criticism. The employees were unhappy with the plan, so the Superintendent backed off on that one, and it never took place.

Mr. **Lewis**. One other piece relative to this. I hope that the Chairman is correct relative to elevator operators. We are the ones receiving complaints about these activities, as well.

Mr. **Fazio**. I am not stipulating that they all do their job.

SCHEDULE FOR ELEVATOR OPERATORS

Mr. **Lewis**. I am thinking about the Cannon Building and when we are not in session, elevator operators in that building. I still wonder, from time to time, about the way we schedule those people. Your urgency concerns are very legitimate. I feel strongly about it. But I would like to relieve the pressure as much as we can from those offices that have a propensity to want to carry these sorts of amendments.

Mr. FAZIO. Yes, I think Members occasionally vote against mistreatment or inefficiency, whatever it might be—not the fact that people are there.

Mr. MYERS. Where is Wayne Hayes when we need him?

Mr. WHITE. Mr. Chairman, with regard to the funding for the seven remaining garage attendants, we have not asked for funding in the supplemental. We are hoping that we can absorb that, if necessary.

Mr. FAZIO. I appreciate your effort, and we will discuss that further.

Mrs. Boggs.

MAINTENANCE OF HOUSE CHAMBER

Mrs. BOGGS. What arrangements are made for the maintenance and cleaning of the House Chamber?

Mr. WARD. We clean inside the House Chamber and the Gallery.

Mr. FAZIO. Who is responsible for the lobby?

Mr. WARD. The Clerk of the House.

Mrs. BOGGS. Does that include the stairwells from the Speaker's Lobby?

Mr. WHITE. Yes.

Our people clean those, do they not?

Mr. WARD. Yes, they do.

Mrs. BOGGS. I have seen some Members of the Congress mark with their fingers in the dust on the wall paneling. The marks are still there several weeks after they have been made.

I just wondered what the arrangements were for the maintenance and the cleanliness of the rooms?

Mr. WHITE. It sounds like we need to intensify our concern about cleanliness in the House Chamber.

Mrs. BOGGS. Seriously, that is a complaint we, as this committee, receive from other Members when we bring this bill to the floor. We are asked why we need so many personnel. That is when they come to us with their personal complaints.

CHERUBS IN STAIRWELLS

And I happen to love the stairwells, with those precious cherubs, the work of Mr. Cherimedas. He exercised some of his sense of humor in some of them. They are beautiful and they are very attractive, and I like them very much.

The portraits and the paintings that are in the stairwells are also very valuable. The frames which hold them have become more valuable through the years, particularly as gold framing is more valuable. But they need more thorough dusting, as well.

Mr. WHITE. We will certainly engage in a process to rectify that, Mrs. Boggs, I have no answer for it except it ought not to be dusty.

ARCHITECT'S CLEANING RESPONSIBILITIES ON HOUSE SIDE

Mr. Chairman, it is relatively easy on the House side. Basically, our office does most of the cleaning on the House side, with the exception of a few small areas. The Senate side is another issue.

Mr. FAZIO. Why wouldn't you do it all, Mr. White?

Mr. WHITE. We only did part of it until there was some dissatisfaction with the Doorkeeper doing some of it. Those areas were assigned to us several years ago, I think when Congressman Hayes was here.

On the other hand, the lobby and some of the Speaker's office is still under the Clerk of the House. I think that had something to do at that time with some patronage people that needed to be protected.

Mr. FAZIO. Could we get an informal update of this?

Mr. WHITE. Sure. Be glad to.

Mr. LEWIS. Please let me know when that occurs, will you? I will find out where I might be.

I have some questions to be submitted for the record on salaries, travel expenses, and contingent expenses.

[The questions and responses follow:]

SALARIES, OFFICE OF THE ARCHITECT OF THE CAPITOL

POSITIONS

Question. We have given you electronics technicians positions in the past. How many do you have on your staff?

Response. There are 34 authorized positions for electronics technicians.

Question. Here is an area where on-call contract support might be helpful. Why don't you try that out on an experimental basis?

Response. Our request for additional electronics technicians is to satisfy a need for full-time, qualified, personnel that are trained to perform installation and maintenance tasks on the many different systems in the Capitol Complex. These systems include x-rays, metal detectors, closed-circuit television (CCTV), community antenna television (CATV), the cable system local area network (LAN) for data transmission, fire and smoke alarms, office intrusion alarms, and the computers that interact and control these various systems.

It is difficult, if not impossible, to find qualified people waiting to be hired on a part-time and as-needed basis to work effectively and efficiently on these varied systems. Their hourly cost, when available, is understandably very high. And, there is always the matter of control of security when dealing with many and different personnel over a period of time. In this particular area of specialty, it does not appear that we can satisfy the full-time need for personnel with the hiring of part-time personnel from outside agencies in an effective manner.

LIMITATION ON TRAVEL EXPENSES

Question. You are requesting the usual limitation of $20,000 on travel. Provide your actual travel expenditures for 1985.

Response. The following information was supplied for the record.

[CLERK'S NOTE.—Detailed information relating to travel will be maintained in the Committee files for a period of one year.]

OFFICE OF THE ARCHITECT OF THE CAPITOL—TRAVEL

[From October 1, 1984 thru September 30, 1985]

Appropriation	Limitation	Expended
Capitol buildings, 1985		$10,216.32
Capitol grounds, 1985		620.50
West central front of the Capitol, no year		1,185.26

OFFICE OF THE ARCHITECT OF THE CAPITOL—TRAVEL—Continued

[From October 1, 1984 thru September 30, 1985]

Appropriation	Limitation	Expended
Construction of an extension to the New Senate Office Building, no year		2,115.02
Senate office buildings, 1985		143.39
House office buildings, 1985		14.56
Capitol Power Plant, 1985		658.06
Structural and mechanical care, Library buildings and grounds, 1985		14.56
Structural and mechanical care, Library buildings and grounds, no year		378.71
Library of Congress, James Madison Memorial Building, Library buildings and grounds, no year		208.00
	$20,000	15,554.38

CONTINGENT EXPENSES

Question. The request for fiscal year 1987 is $235,000. Last year, we provided $100 thousand, $4 thousand of which was sequestered. Provide the usual table for the record, detailing the expenditures.

Response. The following table was supplied for the record.

Items funded from contingent expenses, fiscal year 1985	Obligations	Funds allotted but not yet obligated
Extend central chilled water system, Rayburn Building	$607	
Repairs to bomb damage	363	
Construct two guard houses, Capitol grounds, East Plaza	137	
Rockefeller pedestal, base and socle	2,500	
Study to modernize and improve Senate subway, phase II	35,013	
Ford pedestal, base and socle	2,500	
Emergency repair to 8-inch water supply line Senate Legislative garage	1,001	
Installation of computer cable, Rayburn tunnel	13,570	
Inspect equipment for Senate subway	206	
Service elevator platform, room B31F, Russell Senate Office Building		$29,000
Air sampling and training for handling asbestos	2,240	4,760
Traffic study, Senators' elevators, Dirksen Senate Office Building	975	25
Soil investigation	5,735	
Alterations to room S–152, Capitol Building	14,071	13,829
Warehouse rental	116,422	2,435
Total obligated and unobligated—fiscal year 1985	195,340	50,049

Question. How much were you able to carry over into FY 1986? Can you estimate how much you will be able to carry over into FY 1987?

Response. As of September 30, 1985, $310,740 remained available for obligation during fiscal year 1986. Of the funds remaining available for obligation, a total of $50,049 was allotted for specific projects but had not yet been obligated. This left a balance of only $260,691 for new projects as of September 30, 1985. Approximately $145,000 of that amount will be required for the rental of warehouse space, authorized by 87 Stat. 704. The balance of $115,000 available for other projects was augmented by the $96,000 allowed for fiscal year 1986. The appropriated amount of $100,000 was reduced by $4,000 pursuant to P.L. 99-177. Thus there was a total of approximately $211,000 available for unforeseen expenses and surveys and studies in fiscal year 1986.

During the first four months of fiscal year 1986, $158,555 has been obligated including $143,547 for warehouse rental, leaving an unobligated balance of $252,185. Of that amount $4,000 must be sequestered to fulfill the obligations of P.L. 99-177. Funds that have been allotted but not yet obligated as of January 31, 1986, amount to $88,393. Thus, the total availability for the remainder of the fiscal year for contingencies, studies, surveys, and additional warehouse cost is $159,792. It is anticipated that some portion of that amount will be utilized during fiscal year 1986. In addition, any unobligated funds that were appropriated in fiscal year 1986 will lapse because the funds were not made available on a "No Year" basis. This means that any work that must continue into fiscal year 1987 will then have to be charged against any "No Year" balances that may be available.

Question. Our objective here is to provide only a minimal amount in contingencies to take care of real emergencies, or the small project that doesn't need an appropriations review. Most projects should be presented to the Committee for consideration in the regular appropriations bill. $235 thousand seems a little high for "contingencies." Will you review this and give us an update on what you really need?

Response. The "Contingent Expenses" appropriation was established for several purposes. In addition to contingency type projects of an unforeseen or emergency nature, the Architect is authorized to use these funds for the purpose of making studies or surveys and for the costs associated with leasing warehouse space.

The Architect currently leases 47,566 square feet of space at an estimated cost of $3.09 per square foot, including utilities, for an annual cost of nearly $147,000. The current lease must be renegotiated at the end of the year, with an expected rise in the cost of warehouse rental. In addition to the anticipated rise in square foot costs, the Architect may be forced to lease additional space for warehouse purposes. It has become apparent recently that the need for additional office space within the Capitol Complex will have an effect on the amount of space available for the storage of materials for cleaning and maintenance of the buildings. If space now used for storage is determined to be needed for office space, then additional warehouse space will be required to store the items necessary for upkeep of the buildings.

The requested appropriation level of $235,000 would provide sufficient funding for warehouse leasing ($150,000) and a marginally adequate annual reserve in the amount of $85,000 for surveys, studies and unforeseen expenses. If the new warehouse leasing cost is significantly more than the current rate, additional funding will be required to provide a sufficient level for this appropriation.

REPAIRS, WORKS OF ART

Mr. **Fazio**. What about the area of art repair? I see an increase that amounts to a significant 100 percent.

Is this fulfillment of the promises we have asked you to keep?

Mr. **White**. Yes. And in fulfillment of a really true need, Mr. Chairman.

Mr. **Fazio**. Mrs. Boggs has a true interest.

Mr. **White**. Some of the frames she referred to as well as the paintings, are in need of restoration and repair.

We had a survey conducted last year. I believe at present-day prices there is approximately $800,000 worth of restoration and preservation work on the paintings, frames, and that sort of thing. So, on the basis of $40,000 a year, it is going to take a long time. You never do catch up with it. It keeps getting worse.

Many of these are priceless treasures. This is a museum. We tend to overlook that because it is used as a living, working building. We thought a modest increase—it is a large percentage increase, but a modest dollar increase—would enable us to do a better job of keeping up with the needs in that area.

ROTUNDA FRESCO CONSERVATION

Mr. **Fazio**. While we are on the subject of art and art-related work, there is a $560,000 request for the Rotunda canopy. Can you find an alternative that would not mask the giornate?

Mr. **White**. We took that concern into careful account. From what we have learned, Mr. Chairman, is that it should be masked.

Let me offer for the record, for example, that we had this examined by Signor and Signora Paolo and Laura Mora.

They have been involved in the restoration of the fresco work on the ceiling of the Sistine Chapel, at the Vatican. There was an interesting article about the Sistine restoration in the National Geographic. They were going to be in this country for another purpose so we paid them a small stipend to come to Washington to assess this problem. They examined it, and I have a cable from them which arrived today which says that they agree with the findings and conclusions in Bernard Rabin's report that the giornate should not be visible.

"We strongly support complete conservation treatment of Brumidi's Apotheosis of Washington."

We detail, for example, in the justifications, evidence of Brumidi himself saying it should not be visible.

Mr. FAZIO. The Senate had this concern.

Mr. WHITE. I will be glad to inform them, as well. We think it should not be visible.

Mr. FAZIO. Is the estimate firm?

Mr. WHITE. The cost estimate we have has been corroborated; we think we can do it for $560,000.

We are attempting to get another figure from another restorer to be certain. Also included is scaffolding, which we hope could be minimized by building across the top instead of up from the bottom.

Mr. FAZIO. The conference report specifically asks that we have an alternative cost.

Mr. WHITE. We tried to do that. We will have to get that from another restorer. This restorer said he would not give us a cost because he would not do it if we were not going to mask the giornate. He said to get somebody else.

Mr. FAZIO. He wouldn't give you an estimate for this horrendous undertaking. That is one way to save money.

Mr. WHITE. We are seeking another estimate even though we disagree with proceeding in that way. I am talking about the proposal to eliminate the masking of the giornate.

[CLERK'S NOTE.—the Architect of the Capitol provided the Committee with a telegram, dated 2/22/86, from Paolo and Laura Mora, which states:]

> We agree with the findings and conclusions in Bernard Rabins report the giornate should not be visible we strongly support complete conservation treatment of Brumidies Apotheosis of Washington.

STATUE OF FREEDOM REPAIR

Mr. FAZIO. You are requesting $75,000 to repair the Statue of Freedom. Shouldn't that repair job be handed to the Smithsonian since the damage is a result of their mishandling?

Mr. WHITE. That is a very good point, Mr. Chairman. As a matter of fact, the Joint Committee on the Library staff has suggested something similar, and they are going to see what can be done. The Smithsonian staff claims that those responsible for the statue's condition aren't here any more. If you want it, here it is.

They were going to put it outdoors, and place a plastic cover over it. We thought it should be displayed. If we can get the Smithsonian to repair it, fine, they should.

Mr. FAZIO. I agree.

Mrs. Boggs. Also, there is some interest in doing a national tour of the restored statue for the Bicentennial. Perhaps we can engage some outside contributors into helping us to restore it and to take it on a tour of the country.

Mr. White. That is an idea which sounds useful. I would urge that some decision be made early, because it is going to take some time to do this work. It is a major problem.

X-RAY INSPECTION EQUIPMENT

Mr. Fazio. You are asking $280,000 for X-ray inspection equipment. Tell us about quantity, costs and location of equipment. Why is the existing machinery not adequate?

I state this because I heard about the new plastic gun.

Mr. White. We have a detector for plastic explosives in this building. It requires each person to remain in it for 10 or 12 seconds which is difficult when there are millions of people coming through. Air moves across it and it picks up the evidence of the plastic in miniscule amounts, much like a sniffer dog.

Mr. Fazio. Is it not working?

Mr. White. It is impractical. In regard to the requested X-ray machines, which are for packages, the police would like to increase the number of units. It is a question of convenience for visitors. There are 16 existing units. We have three others which are inoperative due to their age and the manufacturer is no longer in business; additionlly, these parts are no longer manufactured.

Mr. Fazio. There is a need for replacement just to maintain the current capability.

Mr. White. That is right. The locations where they would like to put them are at the auditorium door of the Dirksen Building; the upper Delaware and C Street door of the Russell Building, one at the North door, Senate wing and the Rotunda door where they need two in the Capitol building; and, of course, the two inoperative units at the Law Library and the Document doors on the first floor. One is also needed at the southeast door of the Cannon House Office Building.

Those are the places that get the most visitor pressure. It would be a convenience.

Mr. Fazio. I don't have any problem, of course, in updating the security. I reiterate the need for a comprehensive plan.

Mr. White. This request is in conformity with the overall plan.

Mr. Fazio. That is what we want.

Mr. White. That plan is waiting the approval of the leadership.

Mr. Fazio. Following the approval of the plan, we should have a separate briefing and presentation of the plan.

I have some questions to be submitted for the record.

[The questions and responses follow:]

X-Ray Inspection System

Question. You are asking $280 thousand for the x-ray inspection equipment. How many and how much does each cost? Where will new ones be located? Why aren't existing ones satisfactory?

Response. Eight units at $35,000 each are requested for a total of $280,000. The units will be located as follows.

U.S. Capitol:	
Law Library entrance—replace existing unit (inoperative)	1
Document door entrance—replace existing unit (inoperative)	1
Senate wing, north door—new unit [1]	1
Rotunda door—replace existing unit (inoperative), one additional new unit	2
Subtotal	5
House Office Buildings:	
Cannon Building, southeast door—new unit	1
Senate Office Buildings:	
Dirksen Building, auditorium door—new unit	1
Russell Building, Upper Delaware Ave. & C St. entrance—new unit [2]	1
Subtotal	2
Total units	8

[1] Unit in use at the present time is from the Upper West Terrace door.

[2] Unit in use at the present time is from the staff entrance at Delaware and Constitution Avenues.

The three units that are replacement units are currently inoperational and cannot be repaired. The manufacturer is out of business and no longer supplies replacement parts.

Question. For the x-ray system, give us a list where each is located, when it was installed, and the total cost to date of each. Add the new locations to this list.

Response. The following table was supplied for the record.

X-RAY MACHINE LOCATION

Building	Type	Status	When installed	Cost
Hart SOB:				
Second Street	Scanray No. 4	Operational	1983	$32,000
Constitution Ave	Scanray No. 4	Operational	1983	32,000
Dirksen SOB:				
Auditorium entrance				35,000
Russell SOB:				
1st & Const	Scanray No. 1	Operational	1982	32,000
Upper Del. & C	Phillips	Operational	1979	15,000
Upper Del. & C				35,000
U.S. Capitol:				
Law Library Door (existing)	A, S, & E	Inoperative	1974	65,000
Law Library Door (replacement)				35,000
Document Door (existing)	A, S, & E	Inoperative	1974	65,000
Document Door (replacement)				35,000
Rotunda (existing)	A, S, & E	Inoperative	1974	65,000
Rotunda (replacement				35,000
Rotunda (additional)				35,000
North Door	Scanray No. 4	Operational	1983	35,000
Senate Wing, North Door (new)				35,000
South Entrance	Scanray No. 4	Operational	1983	35,000
Cannon HOB:				
Rotunda	Scanray No. 10	Operational	1984	35,000
Southeast Door (new)				35,000
Longworth HOB:				
Independ. Ave	Scanray No. 10	Operational	1984	35,000
Post Office	Scanray No. 1	Operational	1981	35,000
Post Office	Scanray No. 1	Operational	1981	35,000
Rayburn HOB:				
South Capitol St	Scanray No. 1	Operational	1982	35,000
Independ. Ave	Scanray No. 10	Operational	1984	35,000

Capitol Buildings

RECURRING MAINTENANCE

Question. Of the $578 thousand additional requested for recurring maintenance, $486.9 thousand is needed for office and computer equipment. You had a large request last year. Is this basically the same project, or have you changed your approach?

Response. The item of maintenance and rental of office and computer equipment, as addressed in the 1987 justifications, includes the items described last year. In addition, there are three new equipment items; namely, central processing unit, front-end processor, and disk upgrade. In the case of the central processing unit and the front-end processor, we have expanded our request to address not only additional capacity, but also to provide backup capabilities. The disk upgrade request is to provide Cache disk capability, which offers improved performance and better techniques pertaining to storage and retrieval of data.

NEW OR CONTINUING PROGRAMS

You are requesting a large amount, $2.1 million, for new or continuing projects.

OFFICE INTRUSION ALARMS

Question. Included is a $50 thousand request for office security systems. How many systems will this provide? Are these one-year funds? If not, how much do you need only for FY 1987?

Response. Funds are requested for the acquisition, installation, and interface of 10 office intrusion alarm systems which will average approximately $5,000 per unit. The amount requested has been reduced from previous requests due to the implementation of the Cable Alarm System and the completion of the network structure for the Office Intrusion Alarm System. These funds are requested on an annual basis.

Question. Update the table you normally provide on this item.

Response. The following table was furnished for the record:

Office Intrusion Alarm System
Summary

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Systems Operational

	Number	Cost
U. S. Capitol	18	$68,801.35
** Sub Total for Capitol	18	$68,801.35
Senate		
Senate Office Buildings	1	$4,525.00
Russell Senate Office Building	7	$7,130.00
Dirksen Senate Office Building	9	$33,630.00
Hart Senate Office Building	11	$38,029.25
400 North Capitol Street	1	$20,438.00
** Sub Total for Senate	30	$103,752.25
House		
Cannon House Office Building	2	$8,421.00
Longworth House Office Building	1	$4,346.00
Rayburn House Office Building	2	$8,075.00
House Office Building Annex No. 2	5	$42,999.00
** Sub Total for House	20	$63,841.00
Capitol Grounds	1	$.00
** Sub Total for Capitol Grounds	1	$.00
Capitol Power Plant		
** Sub Total for Capitol Power Plant	2	$12,916.00
*** Total Systems Operational	60	$246,310.60

Office Intrusion Alarm System
Summary

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Pending Survey

	Number	Cost
U. S. Capitol	5	$.00
** Sub Total for Capitol	2	$.00
Senate		
Russell Senate Office Building	1	$.00
Dirksen Senate Office Building	1	$.00
Hart Senate Office Building	1	$.00
** Sub Total for Senate	3	$.00
House		
Rayburn House Office Building	2	$.00
** Sub Total for House	2	$.00
*** Total Pending Survey	10	$.00

Office Intrusion Alarm System
Summary

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Surveys in Progress

	Number	Cost
U. S. Capitol	2	$.00
** Sub Total for Capitol	1	$.00
Senate		
Russell Senate Office Building	1	$.00
Hart Senate Office Building	1	$.00
Immigration Building	1	$.00
** Sub Total for Senate	3	$.00
Capitol Power Plant	1	$.00
** Sub Total for Capitol Power Plant	1	$.00
*** Total Surveys in Progress	6	$.00

Office Intrusion Alarm System
Summary

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Pending Approval

	Number	Cost
U. S. Capitol	3	$76,650.00
U. S. Capitol, Senate-Side	1	$365.00
** Sub Total for Capitol	4	$77,015.00
Senate		
Dirksen Senate Office Building	1	$.00
Hart Senate Office Building	1	$935.00
** Sub Total for Senate	2	$935.00
House		
Cannon House Office Building	1	$.00
Longworth House Office Building	1	$750.00
Rayburn House Office Building	4	$1,625.53
House Office Building Annex No. 1	2	$.00
House Office Building Annex No. 2	2	$570.00
** Sub Total for House	10	$2,945.53
Capitol Grounds	1	$20,038.37
** Sub Total for Capitol Grounds	1	$20,038.37
*** Total Pending Approval	17	$100,933.90

Office Intrusion Alarm System
Summary

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Pending Installation

	Number	Cost
Senate		
Hart Senate Office Building	1	$750.00
** Sub Total for Senate	1	$750.00
House		
Longworth House Office Building	3	$4,392.00
** Sub Total for House	3	$4,392.00
*** Total Pending Installation	4	$5,142.00

Office Intrusion Alarm System
Summary

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Installations in Progress

House	Number	Cost
Longworth House Office Building	1	$400.00
Rayburn House Office Building	1	$1,460.00
** Sub Total for House	2	$1,860.00
*** Total Installations in Progress	2	$1,860.00

Office Intrusion Alarm System
Summary

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Systems Installed/Not Operational

	Number	Cost
U. S. Capitol	3	$2,250.00
** Sub Total for Capitol	3	$2,250.00
House		
House Office Building Annex No. 2	1	$750.00
** Sub Total for House	1	$750.00
*** Total Systems Installed/Not Operational	4	$3,000.00

GRAPHICS DISPLAY SYSTEM

Question. Why is a Graphics Display System ($50 thousand) needed? The security equipment already provides printouts on the intrusion alarms?

Response. The following is a copy of the present alarm printout that is brought up on the CRT when an alarm point is activated.

The printout notes the alarm location by building and monitor point but gives no other information.

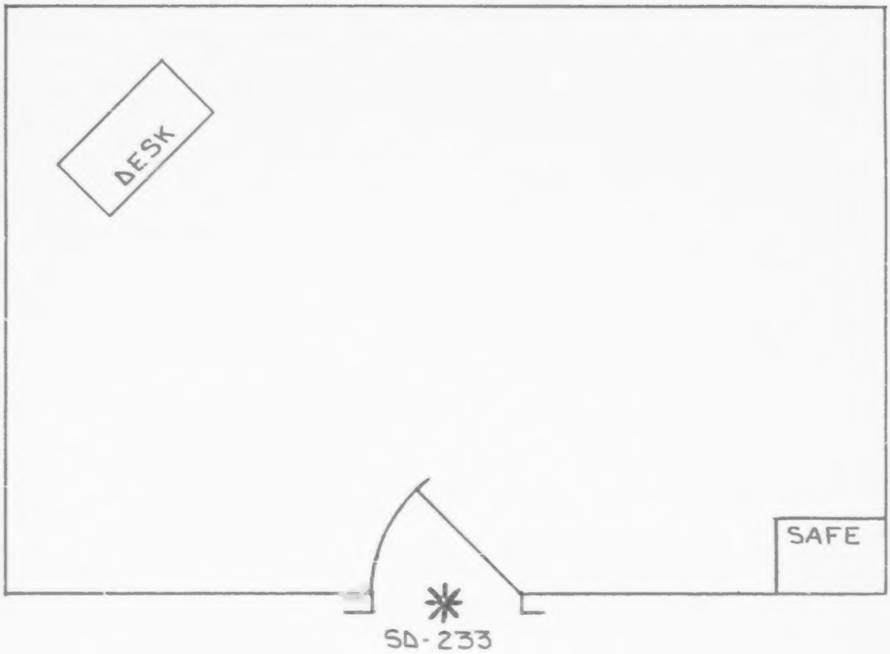
```
!!!            Alarm             !!!   13-MAR-86  EVENT #
!!!      Monitor Point  78-3     !!!    14:19        984
!!!POWER PLANT ADMIN BLDG 2ND FL !!!
!!!        REAR DOOR ALARM       !!!

GIAS
!!!   Contact Return to Normal   !!!   13-MAR-86  EVENT #
!!!      Monitor Point  78-3     !!!    14:19        985
!!!POWER PLANT ADMIN BLDG 2ND FL !!!
!!!        REAR DOOR ALARM       !!!

GIAS
```

PRESENT SYSTEM

The following is an illustration of how the proposed graphics display system would operate when an alarm is activated.

The graphics system would display the alarm location by building, room number, and exact point of the alarm. It also displays other features at the location that would be needed by the Capitol Police to respond to an alarm in a safe and effective manner. Finally, the display provides instructions on-screen for the monitoring officer to follow. This total alarm display package features all the information necessary for the monitoring officer to immediately dispatch an appropriate response team in the event of an alarm activation.

PROPOSED SYSTEM


DESK
SAFE
SD-233

ALARM

SD-233 INTRUSION ALARM MONITOR POINT 17-3.
CONTACT SENATE DETAIL AT 4-4444.

Mr. FAZIO. Mrs. Boggs has also submitted some questions that I ask you to respond to.

[The questions and responses follow:]

CONSERVATION OF WALL PAINTINGS, HOUSE SIDE

Question. For two years we have deferred requests for funds to restore paintings on the House side. Has the cost of the project increased? Why is it necessary to get on with the restoration? Can some sort of schedule be developed that minimizes the disruption in the offices involved?

Response. The cost of restoration now increases 10% each year. Delaying the restoring of the paintings on the House side has increased the cost from $160,150 in 1985, to $168,000 in 1986 (5%), and to $185,000 in this 1987 request, or an increase of $24,850. Further delay also inevitably increases the deterioration of the works as plaster cracks further, paint flakes off, or the canvas contracts further. The sooner work rated as high priority by our conservator is done, the better. The work will be done with the minimum possible disruption to the office staff. In room H-143, we plan to remove the large lunettes stretched on canvas from the room so that the work of the committee will not be hindered.

CONSERVATION OF ROTUNDA FRESCOES

Question. Last year the Committee asked for a reevaluation of plans for the restoration of the canopy in the Rotunda. What was the result of the reevaluation? If we go forward with this project in FY 1987, will there be any impact on the use of the Rotunda for ceremonial activities during the Bicentennial year?

Response. In response to the committees request for reevaluation of plans for the restoration of the canopy of the Rotunda, the Architect brought in one of the most expert teams of fresco conservators in the world, Paulo and Laura Mora from Rome. They strongly supported the judgement of Bernard Rabin and urged that the project be carried out to restore the intended effect of the canopy fresco in the magnificent architectural space of the Rotunda. We have also requested advice from major conservators in this country, at the Getty Museum and the Cooperstown, New York, Conservation Laboratory, and have confirmed our previous judgement that Mr. Rabin is the best qualified person in this country to undertake the task and also a person highly respected in his field. We are advised that it would be necessary to import a conservator from Italy to get a person of comparable experience.

The Rotunda will have to be filled with full scaffolding to carry out the project, since studies on a space frame at the canopy level showed that it would not be feasible economically or structurally, the work would not start until January 1988 so that the Bicentennial activities would not be impeded.

REPAIR OF BRONZE DOORS AND BRONZE STAIRS

Question. What impact would there be if maintenance and repairs proposed for the Capitol's bronze doors and the bronze stairs in the two wings were to be deferred? Why is it necessary to go forward at this time?

Response. Delay in starting conservation again would increase the cost. The exposure to the atmosphere has deteriorated the bronze on the doors more quickly than the interior staircases. According to our comprehensive conservation survey, these bronze works are in the worst condition and need attention first. It would enhance the Bicentennial ceremonies to have the doors and beautiful staircases designed by Brumidi at their best appearance.

CAPITOL GROUNDS

The request for Capitol Grounds for 1987 totals $3.317 million and 84 positions.

Question. Last year, we provided funds to pave Square 639. You offered that up for sequestration. Now you are requesting funds for Square S635. What about 639?

Response. If funds are appropriated for the repaving of Square S635 invitations for bid will be issued for both Squares S635 and 639. Should the bids come in at an extremely low level it may be possible to repave both squares. If only one square can be repaved within the existing funding level, then Square 639 will be repaved and a request for funds to repave Square S635 will be made in fiscal year 1988.

LONGWORTH BUILDING IMPROVEMENTS

Mr. FAZIO. There is a significant request in the House office buildings appropriation to continue funding of electrical and fire protection improvements in the Longworth Building. That is $4 million for fiscal year 1987, in addition to $1.5 million appropriated in 1986.

Is that correct?

Mr. WHITE. That is correct.

Mr. FAZIO. The total project is estimated at $18.5 million.

Mr. WHITE. That is correct.

Mr. FAZIO. Tell us about your plans for this year?

Mr. WHITE. The $4 million was added to the $1.5 million in order to bring us into phase 2 and part of phase 3 of the original proposal.

What we are trying to do is to make as much progress as we can on a piecemeal basis since the funding is not readily available.

We have not begun yet. We have been awaiting approval of this most recent letter which we sent to this Committee. We have not yet obligated funds. There had been some misunderstanding with regard the plans. We thought we ought to wait for approval before proceeding.

Mr. FAZIO. We are particularly concerned about the wiring and plumbing, which are under stress. Wiring is visible in several locations. There appear to be potential fire hazards.

Mr. WHITE. It is going to take quite a bit of money to get us to that point where we can start working in the rooms.

NEED FOR CANNON AND LONGWORTH RESTORATION

Mr. FAZIO. As we've previously discussed, there is a need for restoration of the Longworth and Cannon Buildings. They are fine buildings and need should be operated and maintained accordingly.

Perhaps the piecemeal approach is not the best.

Mr. WHITE. I agree, Mr. Chairman. If we were to have the total $18.5 million we would be able to make rapid progress. We can't spend it all at once, but $1.5 million now, $4 million later, another $2 million later, with approvals each time, will result in the project taking forever.

Mr. FAZIO. We will submit questions for the record at this point.

[The questions and responses follow:]

SMOKE DETECTION AND FIRE ALARMS

Question. You have several requests to install smoke detectors and fire alarm systems. What do we have in place now for fire alarms? How effective are they?

Response. The following is a listing of conditions as they exist in the buildings for which smoke detection and fire alarm systems have been requested.

U.S. CAPITOL

1. No building-wide fire alarm system.
2. No building-wide smoke detection system.
3. High voltage smoke detection in the supply air fan units.
4. High voltage smoke detection in portions (approximately 60%) of the attic spaces.

RAYBURN HOUSE OFFICE BUILDING

1. Building-wide manual fire alarm system.
a. Coded, presignal, custom built control panel.
2. Partial (garage levels) sprinkler monitoring system.
a. Part of manual fire alarm control panel.
3. Low voltage smoke detection in the attic storage and machine room spaces.

CANNON HOUSE OFFICE BUILDING

1. No building-wide fire alarm system.
2. No building-wide smoke detection system.
3. High voltage smoke detectors in corridors adjacent to stairways to control stairway enclosure doors.
4. Partial sprinkler monitoring system in basement only.

HOUSE OFFICE BUILDINGS

The request for House Office Buildings totals $27,336,000 and 769 positions.

CONTINUING OR NEW PROGRAMS—LONGWORTH BUILDING IMPROVEMENTS

Question. The big item in this account is to continue funding for electrical and fire protection improvements in the Longworth Building, another $4.0 million. Explain what the $4 million is for.

Response. The $4 million is requested to be begin the construction work required on selected floors and to complete the horizontal and vertical power wiring that will serve each floor system as each is completed.

Question. Before you proceed further with this project, we would like to see a construction phased plan, with cost and schedule.

CHART OF ACCOUNTS—COST SCHEDULE OF ELECTRICAL/FIRE PROTECTION IMPROVEMENTS—LONGWORTH HOUSE OFFICE BUILDING

Activity	Funding				
	Current fiscal year 1986	Projected for fiscal year—			Projected total
		1987	1988	1989	
Administrative	$65,000	$328,000	$572,000	$535,000	$1,500,000
Architectural and engineering services	105,000	195,000			300,000
General Construction	336,000	1,045,550	1,836,243	1,566,777	4,784,570
Sprinkler Work	73,000	316,450	487,290	414,380	1,291,120
Electrical Work	725,000	1,902,850	3,745,360	2,943,740	9,316,950
Fire Alarm Work	146,000	92,150	197,630	131,580	567,360
Unallotted Contingency	50,000	120,000	331,200	238,800	740,000
Total	1,500,000	4,000,000	7,169,723	5,830,277	18,500,000

ARCHITECT OF THE CAPITOL
UNITED STATES CAPITOL
WASHINGTON, D.C. 20515
NETWORK LHB ELEC | SUBNET LHB ELEC
LHB ELEC.&FIRE PROTECTION UPD
LHB ELEC.&FIRE PROTECTION UPD
RUN DATE 2 MA 8 | DATA DATE 20MAR86
LHB-MASTER MFMBAR.LHB-MAST
DRAWN BY EZPERT. PATENT 3684871. SYSTONETICS INC.

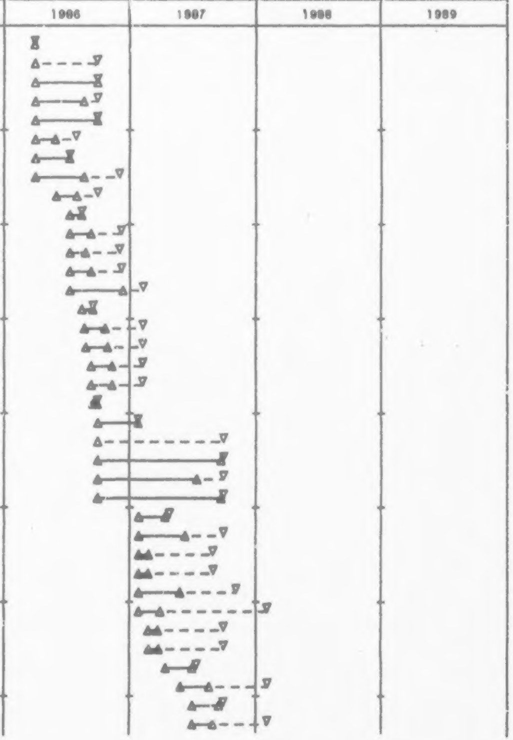
PLANNED BY DATE

APPROVED BY DATE

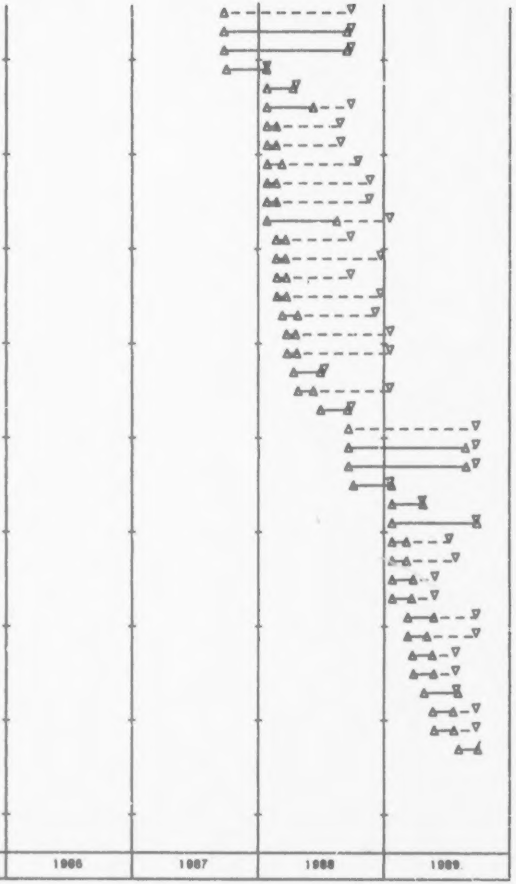
LOCATION
PAGE 1 OF 1
SHEET 1 OF 1

SYMBOLS
EARLY START OR FINISH △
ACTUAL START OR FINISH ▲
LATE FINISH ▽
DURATION (NON-CRITICAL) ——
DURATION (CRITICAL) ━━
TOTAL FLOAT - - - - -

I NODE	J NODE	DESCRIPTION	DUR	RESP	FLOAT
0001	0100	PROJECT START	1		0
0101	1000	FY 86 FUNDING	1		126
0105	0120	ADMINISTRATION 1986	127		0
0125	0140	1986 ARCH & ENGINEERING SERVICES	100		27
0145	0160	CONSTRUCTION MANAGEMENT 1986	127		0
0180	0190	EXCAVATE DUCT BANK	42		42
0200	0250	1986 PURCHASE AND DELIVER	70		1
0300	0325	START REMOVAL PARCEL POST CHUTE	100		70
0190	0199	EXCAVATE MAN HOLE PULL BOXES	43		42
0250	0270	DUCT BANK	25		1
0400	0440	BUS DUCT BASE. SUB	43		60
0500	0540	SPRINKLER MOD SUB BASE	32		68
0600	0640	FIRE ALARM SUB BASE	43		60
0700	0790	ARCH MAT BASE. SUB BASE. & RISERS	107		39
0270	0290	MANHOLE	21		1
0325	0390	COMPLETE REMOVAL PARCEL POST CHUTE	42		74
0540	0590	SPRINKLER RISERS	46		68
0440	0490	BUS DUCT RISERS	43		60
0540	0690	FIRE ALARM BASE	43		60
0290	1000	PULL	10		1
1000	1100	PURCHASE - DELIVER 1987	80		0
1101	2000	FY 1987 FUNDING	1		253
1105	1120	ADMINISTRATION 1987	249		5
1125	1140	ARCHITECTURAL & ENGINEERING SERVICES 198	200		54
1145	1160	CONSTRUCTION MANAGEMENT 1987	249		5
1100	1200	ELECT 7TH FLOOR CORRIDOR	55		9
1180	1199	ARCH. MATERIAL 7TH & 6TH CORRIDORS	96		78
1400	1440	FIRE ALARM 7TH FLOOR	21		132
1500	1540	SPRINKLER 7TH FLOOR	20		134
1600	1640	FEEDERS SUB BASE & BASE	65		116
1700	1790	FIRE ALARM CENTRAL CONTROL PANELS	45		216
1540	1590	SPRINKLER 6TH FLOOR	20		134
1440	1490	FIRE ALARM 6TH FLOOR	21		132
1200	1250	ELECT 6TH FLOOR CORRIDOR	55		9
1640	1690	DISTRIBUTION PANELS SUB BASE & BASE CORR	60		116
1250	2000	ELECT 5TH FLOOR CORRIDOR	55		9
1300	1375	FIRE ALARM SPRINKLER 5TH FLOOR	43		108



2101	3000	FY 1988 FUNDING	1		256
2105	2120	ADMINISTRATION 1988	249		8
2125	2140	CONSTRUCTION MANAGEMENT 1988	249		8
2000	2100	PURCHASE DELIVER 1988	80		0
2100	2800	ELECT. 4TH FLOOR CORRIDOR	55		7
2150	2190	ARCH MAT. 5TH & 4TH FLOOR CORRIDORS	96		76
2200	2240	FIRE ALARM 4TH FLOOR	21		130
2300	2340	SPRINKLER 4TH FLOOR	20		132
2400	2440	ELECT. 2ND FLOOR CORRIDOR	32		156
2500	2540	SPRINKLER 2ND FLOOR CORRIDOR	20		192
2600	2640	FIRE ALARM 2ND FLOOR CORRIDOR	21		189
2700	2795	ARCH MAT. GR. 1ST & 2ND FLOORS	145		107
2340	2390	SPRINKLER 3RD FLOOR	20		132
2540	2570	SPRINKLER 1ST FLOOR CORRIDOR	20		192
2240	2290	FIRE ALARM 3RD FLOOR	21		130
2640	2670	FIRE ALARM 1ST FLOOR CORRIDOR	21		189
2440	2470	ELECT. 1ST FLOOR CORRIDOR	32		156
2570	2595	SPRINKLER GR FLOOR CORRIDOR	20		192
2670	2695	FIRE ALARM GR FLOOR CORRIDOR	21		199
2800	2850	ELECT. 3RD FLOOR CORRIDOR	55		7
2470	2495	ELECT. GR FLOOR CORRIDOR	32		156
2850	3000	INSTALL SWITCH GEAR	55		7
3101	4000	FY 1989 FUNDING	1		263
3105	3120	ADMINISTRATION 1989	243		21
3125	3140	CONSTRUCTION MANAGEMENT 1989	245		19
3000	3100	PURCHASE DELIVER 1989	80		-3
3100	3300	7TH. 6TH. 5TH FLOOR SUITES	67		-3
3150	3190	ARCH MAT. SUITES & OTHER SPACES	175		-1
3200	3240	CATV CORRIDORS	32		87
3400	3440	RENOVATE RISERS 7TH. 6TH. & 5TH FLOORS	32		100
3500	3540	FIRE ALARM 7TH. 6TH. 5TH. & 4TH FLOOR SU	45		45
3600	3640	SPRINKLERS 7TH. 6TH. & 5TH FLOOR SUITES	42		47
3240	3290	CATV SUITES	55		87
3440	3490	RENOVATE RISERS 4TH. 3RD. 2ND. 1ST. & GR	42		100
3640	3670	SPRINKLERS 4TH. 3RD. & 2ND FLOOR SUITES	43		47
3540	3590	FIRE ALARM 3RD. 2ND. 1ST. & GR FLOOR SUI	42		45
3300	3390	4TH. 3RD. & 2ND FLOOR SUITES	70		-3
3670	3695	SPRINKLERS 1ST & OTHER SPACES	42		47
3590	3595	FIRE ALARM OTHER SPACES	42		45
3390	4000	1ST & GR FLOOR SUITES	40		-3



WORK TO BE ACCOMPLISHED IN LONGWORTH

Mr. FAZIO. Recently we have learned that the phasing plan you presented last year was not actually construction phasing. When we made the $1.5 million appropriation, however, we were told that was for the first stage work in the basement. Why have you changed this terminology?

Mr. WHITE. Mr. Chairman, if I may, let me respond to that.

WORK PHASING

Mr. FAZIO. Proceed.

Mr. WHITE. We presented information on the basis of so-called phases of work. I don't know of any complex construction project in which proposed phased work remains constant and immutable throughout the construction process.

For example, as I mentioned about the West Front, or we are proposing to move phase 4 into phase 2. As work develops in a construction project, one shifts back and forth. The packages that are bid for the Library of Congress, for example, for the so-called phase 1, contain work which was supposed to be in phase 2, and vice versa.

REEXAMINATION OF SCHEDULE

Mr. FAZIO. We realize things aren't immutable.

Mr. WHITE. When we proposed an $18.5 million project and divided it into phases, we presumed we would get $18.5 million. When we received $1.5 million to do phase 1, we reviewed that phase and we saw in there almost a million dollars of that $1.5 million devoted to switch gear which would not be used for several years, presumably as many as five or six, depending upon funding.

Warranties would have run out at that point and, therefore, it seemed prudent to us to put the money to work in the most cost-saving and useful way, such as the duct work that I mentioned. Those four vertical ducts could be useful for telephone conduit.

We began to reexamine things. There was certainly no intention to be deceptive in any way.

Mr. FAZIO. We aren't accusing you of being deceptive, however we want to be informed about changes such as these. We are not totally inflexible, but we do require complete information.

Mr. WHITE. Mr. Chairman, we will be glad to keep you as informed as you would like. This is a common occurrence in every construction project.

The Hart Building, the Madison Building, the present Library project—when we have all of the funds available to us, we struggle with questions of how to package the various phases. We may shift things from one to the other. That is exactly what was happening here except that it appeared, apparently, that we were to do only certain things with the $1.5 million. It is all going into the Longworth Building.

Mr. FAZIO. We want to be informed about the construction schedule and cost modifications.

Mr. WHITE. Whatever you need, Mr. Chairman, we would be glad to furnish.

Mr. **Fazio**. Mrs. Boggs has submitted questions to be answered for the record concerning the House Office Buildings appropriation request.

[The questions and responses follow:]

Catering Kitchen for the Rayburn Building

Question. Would there be any loss of parking space as a result of the proposed catering kitchen for the Rayburn Building?

Response. Approximately five parking spaces will be lost to provide for the proposed kitchen. The Committee on House Administration has approved that loss.

DURESS ALARMS

Question. You are proposing funding for the installation of duress alarms in the House Office Buildings. What has the experience been with these alarms in the Senate? Are they worthwhile?

Response. Since the inception of the duress alarm system (Fiscal Year 1985), 50 calls have been responded to by the U.S. Capitol Police. The availability of such a system is desirable if a threat to life or property should occur even at lower frequencies

TELECOMMUNICATIONS ON THE HILL

Mr. **Fazio**. We have discussed in this committee the procurement of a telephone system on a Hill-wide basis.

Do you have funds in the budget for wiring the Senate and House buildings?

Mr. **White**. We do not.

Mr. **Fazio**. That would require a supplemental request?

Mr. **White**. That is correct.

Mr. **Fazio**. Would that be included in the installation contract?

Mr. **White**. That depends upon what kind of arrangements are made and which system is chosen by the appropriate House and Senate officials.

Mr. **Fazio**. Do you know what your costs might be?

Mr. **White**. We know only to the degree that there are alternatives. Depending upon the system selected, the costs vary a good deal.

Ray Carroll, our Director of Engineering, has been involved in the House consideration process. One of the reasons we wanted to do the vertical ducts in the Longworth Building initially was to have those available in the event new telecommunications wiring was required.

There is no way to distribute wires in the Longworth Building. There just is no way without doing something of this nature. So, we thought it would be useful if that should be necessary.

In terms of what it will cost to do the wiring, that would normally be part of the contract of whomever is doing the installation.

Ray, perhaps you would like to mention what you have learned in the meetings you have attended.

Mr. **Carroll**. The Committee on House Administration has been holding hearings of various proposals for some time. The Architect of the Capitol would provide the means to allow the vendor to come in and replace the current telephone system. We would have to do the conduit work, provide the terminal rooms, the closets and the distribution centers.

Somewhere, we would have to find the square feet necessary to put in these computers and switches as required. We have estimated, as best we can with very incomplete information on each system, what it would cost for each of the vendors. It varied substantially.

Mr. **Fazio**. I would like to have that on the record.

Would you put that in the record?

Mr. **Carroll**. I would be happy to provide it to you.

[The table follows:]

Cost Summary for Telecommunications Installation in House Office Buildings

The following table illustrates the estimated costs that would have to be borne by the Architect of the Capitol to accommodate the installation of new telecommunications equipment in the House side of the Capitol and House Office Buildings. Specific costs cannot be estimated until the exact design of the proposed installation is known. These cost include equipment space preparation, but wiring and equipment costs will be borne by the vendors.

VENDOR

Item	AT&T	NTI #2	NTI #3	ROLM
Building raceways	$340,500	$340,500	$340,500	$340,500
Feeder conduits	206,700	211,200	77,200	110,600
Equipment space	3,428,350	640,000	1,260,000	1,202,400
Closets				40,000
Total	3,975,550	1,191,700	1,677,700	1,733,500

TELEPHONE SYSTEM SAVINGS

Mr. **Fazio**. I appreciate that.

My concern is that we are required to pay the bill, but have little control over the elements of the system. The savings for the new telephone system for the House is estimated at $6.4 million by 1991.

Do you think that savings quote reflects the wiring costs?

Mr. **Carroll**. Mr. Chairman, I don't know how they arrived at that. I was not part of the discussion that had to do with savings.

Mr. **Fazio**. Do you have any estimates on the costs to rewire the Capitol Complex for a new telephone system?

Mr. **Carroll**. Again, it depends on the vendor.

Mr. **Fazio**. Could you give us the highs and lows?

Mr. **Carroll**. The low is pretty much staying with what we have, with the telephone company that now exists, because they would use most of their own conduit, most of their own wire that already exists.

The highest runs something on the order of $4 million for our part of the work, in addition to what the vendor would charge.

Mr. **Fazio**. If the existing provider were retained, would they need to be replaced?

Mr. **Carroll**. The switch, so to speak, the computer would be located in the existing facility, which is not more than two or three blocks from the Capitol. Therefore, there is not an additional need for floor space within the Capitol complex for the computers or the switches.

Also, they claim they would use current wiring to carry the new signals.

Mr. **Fazio**. It is capable of all that?

Mr. **Carroll**. That is their claim. I have no reason to doubt that. In fact, I would tend to agree with them.

The others refuse to use existing wires. They all claim they have to remove everything, then replace it. That is the only way they can guarantee they know what they have, so to speak. Whether that is valid or not, frankly I question.

Mr. **Fazio**. They are all on the high end?

Mr. **Carroll**. They are all higher than C&P.

Mr. **Fazio**. Within the $4 million range?

Mr. **Carroll**. No. Literally, between zero and $4 million.

Mr. **Fazio**. That amount would be subtracted from the $6.4 million?

Mr. **Carroll**. Again, Mr. Chairman, I don't know whether that included those numbers we provided.

Mr. **Fazio**. This is an interesting subject that we will develop in more depth. We encourage your participation. We are not in a position to omit costs.

Mr. **White**. Mr. Chairman, the House Administration Committee has kept us involved in all of these discussions, and we will, of course, keep you informed as to any available cost information.

ENERGY COST INCREASE

Mr. **Fazio**. In the Capitol Power Plant appropriation, there has been a 23 percent increase since 1984. We are looking for the elusive savings coming from the declining price of coal and oil.

POWER PLANT HOT WELL REPAIR

Mr. **Myers**. In 1985, we repaired a hot well. I don't remember, what the heck is a hot well?

Mr. **Carroll**. At the Capitol Power Plant, our steam condensate comes back very hot. It goes out as steam and comes back as hot water. The hot well is part of that process of condensing the steam so that it is all liquid when it goes back into the boiler to create steam again.

It is a corrosive tank, a tankful of corrosive water. It, over a period of time, rots out so we have to repair it.

Mr. **Myers**. Thank you.

Mr. **Fazio**. There are questions for the record to be submitted at this point.

[The questions and responses follow:]

Capitol Power Plant

You are requesting $26.414 million and 104 positions for the operation of the Capitol Power Plant, including the purchase of electricity, oil, and coal during fiscal year 1987.

RECURRING MAINTENANCE

Question. The $700 thousand increase for electrical energy is over and above the $2.0 million supplemental level. That would bring the total estimated cost to $18.87 million in fiscal 1987. Can you explain why electrical energy is going up so much? Break this down into its components: rate and consumption increases.

Response. The following tables indicate the breakdown of rate and consumption increases and document the actual and projected consumption and cost of electrical energy for fiscal years 1984 through 1987.

ELECTRICAL ENERGY INCREASE—FISCAL YEAR 1984 ACTUAL VS. FISCAL YEAR 1987 ESTIMATE

	Amount	Percent
Fiscal Year 1984 cost	$15,298,961	
Fiscal year 1985 actual increases:		
Rate increase	615,753	4.0
Fuel adjustment charge	712,385	4.7
Consumption	649,496	4.3
Demand charges	149,064	1.0
Total FY 1985 actual increases	2,126,698	14.0
Estimated fiscal year 1986:		
Consumption (4% estimated increase over 1985 actual)	697,417	4.6
Estimated fiscal year 1987:		
Consumption (4% estimated increase over 1986 estimate)	724,923	4.6
Total increase, FY 1984 actual vs. FY 1987 request	3,549,038	23.2
Fiscal year 1987 request	18,870,000	

ANALYSIS OF ELECTRICAL ENERGY

	FY 1984						
LOCATION	FY 1984 BUDGET	FY 1984 ACTUAL EXPENDITURES	COST VARIANCE	ESTIMATED KWH	ACTUAL KWH	KWH VARIANCE	ACTUAL COST PER KWH
CAPITOL	823,531	810,097	13,434	14,091,220	14,658,800	(567,580)	0.055264
DSOB	618,579	616,738	1,841	11,172,382	11,858,940	(686,558)	0.052006
RSOB	440,669	437,010	3,659	7,540,266	8,026,770	(486,504)	0.054444
LHOB	417,099	424,168	(7,069)	6,919,910	7,366,890	(446,980)	0.057578
CHOB	426,509	428,271	(1,762)	7,172,136	7,489,510	(317,374)	0.057183
RHOB	1,516,776	1,507,236	9,540	26,896,667	27,426,240	(529,573)	0.054956
HOBA #1	118,811	128,980	(10,169)	1,524,836	1,706,900	(182,064)	0.075564
HOBA #2	561,809	598,730	(36,921)	9,620,634	11,509,230	(1,888,596)	0.052022
CAP PWR PL	5,086,519	4,725,574	360,945	81,184,558	78,694,940	2,489,618	0.060049
LOC TJB	568,942	526,734	42,208	10,650,678	10,990,180	(339,502)	0.047928
LOC JAB	555,229	538,310	16,919	10,393,990	10,981,610	(587,620)	0.049019
LOC JMMB	3,216,575	2,881,626	334,949	60,213,517	58,675,100	1,538,417	0.049112
SEN GARAGE	94,709	84,160	10,549	1,319,776	1,280,300	39,476	0.065735
IMMG BLDG	91,015	56,654	34,361	1,268,272	819,370	448,902	0.069143
PLAZA HOTEL	38,449	34,576	3,873	493,548	457,160	36,388	0.075632
CAP HILL HOTEL	40,689	13,131	27,558	522,287	185,280	337,007	0.070871
HILL APTS	27,123	8,739	18,384	315,050	69,600	245,450	0.125560
SEN CRT APTS	38,265	5,560	32,705	444,449	70,600	373,849	0.078754
400 N CAP	367,841	351,128	16,713	5,881,385	5,827,200	54,185	0.060257
MISC LOC	58,188	58,937	(749)	610,356	631,470	(21,114)	0.093333
ST LIGHTS	10,686	9,659	1,027	289,872	272,390	17,482	0.035460
TRAFFIC SIG	4,375	3,745	630	72,729	71,090	1,639	0.052680
HART BLDG	1,047,612	1,049,198	(1,586)	17,291,340	20,913,020	(3,621,680)	0.050170
TOTAL	16,170,000	15,298,961	871,039	275,889,858	279,982,590	(4,092,732)	0.054643

ANALYSIS OF ELECTRICAL ENERGY

[--FY 1985--]

LOCATION	FY 1985 BUDGET	FY 1985 ACTUAL EXPENDITURES	COST VARIANCE	ESTIMATED KWH	ACTUAL KWH	KWH VARIANCE	ACTUAL COST PER KWH
CAPITOL	843,660	947,991	(104,331)	14,700,000	15,774,621	(1,074,621)	0.060096
DSOB	669,641	704,206	(34,565)	11,860,000	12,071,240	(211,240)	0.058338
RSOB	452,377	531,356	(78,979)	8,030,000	8,782,611	(752,611)	0.060501
LHOB	440,492	481,755	(41,263)	7,370,000	7,468,640	(98,640)	0.064504
CHOB	443,338	489,886	(46,548)	7,490,000	7,714,900	(224,900)	0.063499
RHOB	1,604,550	1,747,802	(143,252)	27,450,000	28,753,150	(1,303,150)	0.060786
HOBA #1	132,667	152,103	(19,436)	1,710,000	1,854,700	(144,700)	0.082009
HOBA #2	620,197	711,409	(91,212)	11,510,000	12,269,990	(759,990)	0.057980
CAP PWR PL	4,921,306	5,359,809	(438,503)	78,700,000	86,445,910	(7,745,910)	0.062002
LOC TJB	577,580	592,559	(14,979)	11,000,000	10,746,780	253,220	0.055138
LOC JAB	580,933	546,191	34,742	11,000,000	9,456,340	1,543,660	0.057759
LOC JMMB	3,014,357	3,300,647	(286,290)	58,680,000	58,732,100	(52,100)	0.056198
SEN GARAGE	90,635	95,873	(5,238)	1,300,000	1,338,100	(38,100)	0.071649
IMMG BLDG	75,613	34,811	40,802	825,000	454,500	370,500	0.076592
PLAZA HOTEL	36,976	46,674	(9,698)	343,000	580,140	(237,140)	0.080453
400 N CAP	364,020	311,513	52,507	5,900,000	4,563,100	1,336,900	0.068268
MISC LOC	70,894	66,681	4,213	635,000	669,542	(34,542)	0.099592
ST LIGHTS	12,199	10,826	1,373	275,000	272,385	2,615	0.039745
TRAFFIC SIG	5,461	3,459	2,002	72,000	70,880	1,120	0.048801
HART BLDG	1,193,104	1,279,130	(86,026)	21,000,000	22,656,670	(1,656,670)	0.056457
501 1 ST SE	20,000	10,978	9,022	150,000	130,050	19,950	0.084414
TOTAL	16,170,000	17,425,659	(1,255,659)	280,000,000	290,806,349	(10,806,349)	0.059922

ELECTRICAL ENERGY
FY 1986 & FY 1987 ESTIMATED
KWH, COST AND COST PER KWH

LOCATION	FY 1986			FY 1987		
	ESIIMATED KWH	ESTIMATED COST	ESTIMATED COST PER KWH	ESTIMATED KWH	ESTIMATED COST	ESTIMATED COST PER KWH
CAPITOL	16,405,606	985,911	0.060096	17,061,830	1,025,347	0.060096
DSOB	12,554,090	732,374	0.058338	13,056,253	761,669	0.058338
RSOB	9,133,915	552,610	0.060501	9,499,272	574,715	0.060501
LHOB	7,767,386	501,025	0.064504	8,078,081	521,066	0.064504
CHOB	8,023,496	509,481	0.063499	8,344,436	529,861	0.063499
RHOB	29,903,276	1,817,714	0.060786	31,099,407	1,890,423	0.060786
HOBA #1	1,928,888	158,187	0.082009	2,006,044	164,515	0.082009
HOBA #2	12,760,790	739,865	0.057980	13,271,221	769,460	0.057980
CAP PWR PL	89,903,746	5,574,280	0.062003	93,499,896	5,797,252	0.062003
LOC TJB	11,176,651	616,261	0.055138	11,623,717	640,912	0.055138
LOC JAB	9,834,594	568,039	0.057759	10,227,977	590,760	0.057759
LOC JMMB	61,081,384	3,432,673	0.056198	63,524,639	3,569,980	0.056198
SEN GARAGE	1,391,624	99,708	0.071649	1,447,289	103,696	0.071649
IMMG BLDG	472,680	36,203	0.076592	491,587	37,652	0.076592
PLAZA HOTEL	603,346	48,541	0.080453	627,479	50,483	0.080453
400 N CAP	4,745,624	323,974	0.068268	4,935,449	336,932	0.068268
MISC LOC	696,324	69,348	0.099592	724,177	72,122	0.099592
ST LIGHTS	283,280	11,259	0.039745	294,612	11,709	0.039745
TRAFFIC SIG	73,715	3,909	0.053033	76,664	4,066	0.053033
HART BLDG	23,562,937	1,330,295	0.056457	24,505,454	1,383,507	0.056457
501 1 ST SE	135,252	11,417	0.084414	140,662	11,874	0.084414
TOTAL	302,438,603	18,123,076	0.059923	314,536,147	18,847,999	0.059923

ELECTRICAL ENERGY
YTD FY 1985 vs FY 1986

LOCATION	FY 1985 KWH 10/1-12/31	FY 1986 KWH 10/1-12/31	% INCREASE OF KWH OVER FY-85
CAPITOL	3,619,320	4,047,440	11.83
DSOB	2,941,020	3,151,360	7.15
RSOB	2,043,710	2,355,540	15.26
LHOB	1,762,790	1,939,110	10.00
CHOB	1,812,210	1,972,140	8.83
RHOB	6,545,490	7,148,100	9.21
HOBA #1	384,500	419,300	9.05
HOBA #2	2,762,880	3,071,790	11.18
CAP PWR PL	18,206,490	21,037,830	15.55
LOC TJB	2,763,470	2,474,890	-10.44
LOC JAB	2,360,270	2,221,520	-5.88
LOC JMMB	14,578,270	13,625,600	-6.53
SEN GARAGE	326,900	325,800	-0.34
IMMG BLDG	166,050	22,950	-86.18
PLAZA HOTEL	115,320	138,480	20.08
400 N CAP	1,252,900	1,053,600	-15.91
MISC LOC	161,128	162,590	0.91
ST LIGHTS	81,083	81,085	.00
TRAFFIC SIG	17,867	17,871	0.02
HART BLDG	5,264,280	5,961,520	13.24
501 1 ST SE	22,050	75,150	240.82
TOTAL	67,187,998	71,303,666	6.13

MADISON BUILDING ELEVATORS

Let's talk about the Madison Building under "Library Buildings and Grounds." You are requesting $650,000 for two elevators. The Madison Building seems to be so well-served by elevators. How do the numbers of occupants and elevators in the Madison compare with the Rayburn or Hart?

Why do you plan to install new elevators in a relatively new building?

Mr. WHITE. The elevator shafts were installed for possible expansion. The hatchways were built in as part of the basic construction on the presumption that when the need arose, elevators would be added.

Mr. FAZIO. Is the need there?

Mr. WHITE. We understand the need is there from the Library. Have we made our own survey?

Mr. CARROLL. No. We do not have that elevator analyzer we previously requested, so we have not. However, just from observations alone——

Mr. FAZIO. I have given you a little anecdotal observation on some elevators that are needed in the Longworth.

Mr. CARROLL. You might recall, Mr. Chairman, those two elevators are strategically located to handle maximum traffic because of the subway station at the southwest corner; and, of course, at the northwest corner is the tunnel connecting the Cannon Building. So, they are both highly used.

Mr. FAZIO. Why weren't they installed during construction?

Mr. WHITE. We presumed at the time that the need wouldn't rise so rapidly, therefore, we didn't install them. That was the reason for it.

We would be glad to make some additional investigation as to the precise need.

Mr. FAZIO. Would you? I do not wish to burden the Library any more than we have, but it is one of those questions that comes to mind.

Is it needed, or is it just something that we would like to do? We may have a scheduling issue here.

Mr. WHITE. We will be glad to investigate further.

Mr. FAZIO. Your point about heavy traffic on that end of the building is good. On the other hand, it seems to have been planned. It is hard to turn down the request when it seems to be so crucially located.

AUTOMATIC BOOKSELF IMPROVEMENTS

There is another question on the Madison Building improvements for the record.

[The questions and responses follow:]

LIBRARY BUILDINGS AND GROUNDS

You are requesting $7.188 million and 133 positions for structural and mechanical care of the Library Buildings and Grounds.

MADISON BUILDING IMPROVEMENTS

Question. You are requesting $650 thousand for two elevators. Why are they needed? How many elevators now service that building? How do the number of occupants and elevators in Madison compare with Rayburn and Hart?

Response. The two elevators are requested to provide needed service at the two busiest elevator shafts in the Madison Building. Present traffic levels cause long wait times because of overcrowded elevators. Addition of these two would alleviate the delay and crowding caused by insufficient elevator capacity at those locations.

The Madison Building was originally intended to be used primarily for book storage, with office and staff spaces being secondary. However, because of the many changes in the Library's missions such as the expansion of the Congressional Research Service, some of which were mandated by the Congress, the building is now used primarily as office space with a heavier concentration of staff and visitors than was originally contemplated.

The following table indicates the number of elevators and occupants in the Madison, Rayburn and Hart Buildings.

	Passenger	Freight	Total elevators	Occupants
Building:				
Madison	18	2	20	[1] 5,300
Rayburn	25	5	[2] 30	[1] 2,500
Hart	12	3	15	([3])
Total	55	10	65	

[1] Approximate.
[2] Includes one freight lift not in use.
[3] Not available.

COMPACT BOOKSHELVES

Question. $200 thousand is requested for compact bookshelves. We appropriated a large sum for those bookshelves—they were newly installed a few years ago. What is the purpose of this expenditure?

Response. This project is requested by the Librarian of Congress. It will improve safety of personnel that work in the movable bookstacks by modifying existing controls and by adding additional controls.

Question. We have seen manually operated systems in several libraries. Wouldn't a manual system be much cheaper and less costly to maintain? Please look into this and give us a report.

Response. Manually operating the existing bookshelves would be cumbersome, time consuming, labor intensive and inappropriate in this instance. The level of service required could not be reached without the speed of operation inherent in the electrically operated units.

BARTHOLDI FOUNTAIN REPAIR

Mr. FAZIO. How is the Bartholdi fountain repair progressing?

Mr. WHITE. The repair is progressing slowly. I have directed that it be done carefully and in stages, so that I can look at it when we get it apart. I didn't want to reach the point where it was disassembled and then had to come back and ask for more money in order to get it back together again. We are being very cautious.

We do have outside comments from the Robinson Iron Company, which is interested in doing something with it, they have been very helpful in recognizing that we are attempting to repair the fountain ourselves in order to save money. They are giving us advice and counsel, and we think we are progressing well with it.

It ought to come apart readily, and then we will decide the necessary steps for reassembly. Mr. Chairman if it appears, that the restoration will require additional funds I will report that to you. Our alternative proposal entails funding the partial restoration and reassembly.

Or should we spend additional funds to fully restore it, if that is the case?

We are proceeding cautiously so that we don't get ourselves into a financial bind.

Mrs. BOGGS. Lee Iacocca needs a new job.

Mr. WHITE. We have three figures holding up the bowl. Maybe we can install a fourth one.

Mr. FAZIO. Do any of my colleagues have questions?

CLOSING REMARKS

Mr. FAZIO. Are there any other questions? If not, we will close this hearing.

Thank you, Mr. White, for pointing out the details and finishing up the record.

Thank you.

Mr. WHITE. Thank you, Mr. Chairman.

Mr. FAZIO. There are questions for the record that I ask you to respond to.

[The questions and responses follow:]

BOTANIC GARDEN

You are requesting $2.291 million and 57 positions for fiscal year 1987.

CONSERVATORY SKYLIGHTS

Question. How necessary is it to install the skylights in the conservatory ($85 thousand)?

Response. The proposed skylights are needed to increase the light in both of the exhibition galleries. These galleries are currently too dark for any plant to live for an extended period of time unless it is placed near one of the doors or adjacent to the connecting house.

Skylights were first proposed by Bennett, Parsons, and Frost, the consulting architects for the Conservatory when it was designed. These can be seen in copies of the drawings as two rectangular squares on either end of the building. These galleries must have more light to not only maintain the plants which are displayed in them during major show, but to allow their use for plant displays, plant society shows, and other related functions throughout the year.

ENTRANCE IMPROVEMENTS

Question. What improvements are needed at the entrances ($50,000)?

Response. The modifications of the main entrance include glazing improvements and an information/guard station.

Replacement of the aluminum doors and frames and the interior glazing is necessary for proper winter environmental control in the Subtropical and Palm Houses. This work is necessary to maintain the temperature difference between the two houses at night and during the day when cool crops are displayed in the Subtropical House. This control was part of the original design, and has become more critical now that the Subtropical House is being used for exhibition twelve months of the year.

The Main Entrance modifications are necessary to accommodate the over 2 million visitors anually and still provide an airlock during the winter to prevent cold drafts on the plants. The current entrance will also not allow ease of access for handicapped visitors. When this modification is made, a new location will be required for the informational handouts. This is to be incorporated into a central desk which will also serve as a guard station. The old metal desk and chair, formerly used by the guards, has been removed to present a more professional appearance. This station will maintain that image and provide a central location for dispensing visitor information.

Mr. FAZIO. Mrs. Boggs has submitted a question to be answered for the record concerning the Congressional Cemetery grant.

[The question and response follows:]

CONGRESSIONAL CEMETERY

Question. Would you please give us a status report on the Congressional Cemetery grant? Is there any way to expedite payment to the Cemetery for expenditures that have been incurred on the project?

Response. During the early phase of operations under the Grant Agreement between the Association for the Preservation of Historic Congressional Cemetery (Association) and the Architect of the Capital dated June 7, 1983, the processing of requests for draws often consumed more time than was desirable. Beginning in 1985, however, the administrative procedure for processing requests for draws was streamlined so that, on the average, the Association has been receiving its checks from the Treasury within about 33 days of the date of request. This experience compares favorably with the time required for processing of payments to contractors under purchase orders and contracts. Of course, the Association's requests for draws are, and will continue to receive expedited handling.

TUESDAY, FEBRUARY 25, 1986.

RAILROAD ACCOUNTING PRINCIPLES BOARD

WITNESSES

CHARLES A. BOWSHER, CHAIRMAN AND COMPTROLLER GENERAL OF THE UNITED STATES

MILTON J. SOCOLAR, SPECIAL ASSISTANT TO THE COMPTROLLER GENERAL

CHARLES R. YAGER, EXECUTIVE DIRECTOR

Mr. FAZIO. We want to take up the Railroad Accounting Principles Board.

The request is $750,000, the same as appropriated for 1986 but $32,000 higher than the sequestered level. We have the Comptroller General with us, Charles Bowsher, who is Chairman of the Board.

Also, we have Richard Yager, Executive Director. Either or both of you can place statements in the record.

OPENING STATEMENTS

Mr. BOWSHER. Thank you, Mr. Chairman.

As you point out, we are asking for $750,000 in our final fiscal year for this Board. We have had nine meetings. We have an excellent Board, and we have a fine staff now. We have published a discussion memorandum that raises the various issues that were raised to us by the industry, shippers and railroad people, accounting firms and everybody that was interested in it. Now we are asking the interested parties to react to the discussion memorandum.

When we get their input, we will be looking at the major issues through the summer. We hope to issue an exposure draft of the principles for everybody to react to again. We hope to have public hearings and then eventually to issue our principles on railroad accounting. That is our program.

Right now, we are on schedule. We expect to remain on schedule, and we hope to wrap the board up with the fiscal year 1987 appropriation.

Mr. FAZIO. Mr. Yager, do you have a statement in addition to that of Mr. Bowsher?

Mr. YAGER. We can add that for the record.

Mr. FAZIO. It will be placed in the record, in addition to the formal statement of Mr. Bowsher.

[The statements of Mr. Bowsher and Mr. Yager follow:]

RAILROAD ACCOUNTING PRINCIPLES BOARD
WASHINGTON, D.C. 20548

FOR RELEASE ON DELIVERY
TUESDAY, FEBRUARY 25, 1986

STATEMENT OF
CHARLES A. BOWSHER
CHAIRMAN
BEFORE THE
LEGISLATIVE SUBCOMMITTEE OF THE APPROPRIATIONS COMMITTEE
UNITED STATES HOUSE OF REPRESENTATIVES
ON
BUDGET ESTIMATES FOR FISCAL YEAR 1987

Mr. Chairman and Members of the Subcommittee:

I am appearing before you today in my capacity as chairman of the Railroad Accounting Principles Board to discuss the budget estimate of $750,000 for the Board operations during fiscal year 1987. Before describing the details of our budget estimate, I would like first to review briefly for you the Board's activities since we last appeared before this subcommittee.

As you recall in our last appearance, I had just appointed the six Board members and the executive director who would work with me. Since that time, Mr. Yager, the executive director, has organized the office and has increased the staff from one person at the last hearing to 12 people today.

The Board has held nine meetings to date. In these meetings, we have heard presentations of position from the Interstate Commerce Commission, the Association of American Railroads, and shippers. We also requested comments from the public through a Federal Register notice on issues which the Board should take up. Based on the comments received and the Board's discussions, the staff developed a work plan centered around the six major issues which the Board has agreed to consider. The issues are:

- the appropriate entity for collecting cost and investment information;
- how annual expenses should be used for costing purposes;

- how capital costs should be measured;
- what principles should underlie a general-purpose costing system;
- what departures from general-purpose costs are required; and
- what level of detail is necesary for reporting costs, operating statistics, and revenue.

As a part of the work plan, the staff has prepared a discussion memorandum for public comment raising those six major issues, 25 related issues, and 21 additional questions. The discussion memorandum was issued on January 31 with comments to be received March 31 and April 30.

Currently, the staff is conducting research and preparing issue papers on each major issue. A paper concerning the entity issue was sent out to the Board last week and will be taken up at our next Board meeting on March 5, 1986. The Board has established a schedule for considering each of the issues which takes us through fiscal year 1986.

During fiscal year 1987, the Board will complete several tasks:

- complete its consideration of the major issues, establishing principles to resolve these issues and developing recommendations for implementing the principles.

- prepare an exposure draft of the principles and recommendations so that the public has an opportunity to comment in writing.

- in addition to written comments, conduct public hearings on the exposure draft.

- complete and submit a report to Congress which takes into consideration the comments received.

- prepare for Congressional hearings on the principles and their implementation if Congress wishes to hold such hearings.

- meet with ICC and others regarding implementation of the principles.

- complete and wind up operations of the Board and its staff.

The Board expects to complete these activities by September 30, 1987.

The fiscal year 1987 budget request of $750,000 is less than the $1 million originally authorized by the Staggers Rail Act for the third year of operation of the RAPB. This is, we believe, the minimum amount necessary to complete the task of developing accounting and cost principles for regulatory purposes under Title 49.

The fiscal year 1987 budget estimate was developed as follows:

•	$575,000	Salaries and Related Benefits of the members of the Board, permanent professional staff, part-time consulting assistance, and administrative support.
•	$ 63,000	Travel of the Board's staff to gather data from shippers, rail carriers, and others to facilitate development of the "principles," and to permit the Board and staff to hold hearings on the exposure draft at locations outside of Washington, DC. It will also be for Board members' travel to RAPB Board meetings.
•	$ 61,000	Contractual services, computer services, and reimbursement to other government agencies for administrative and personnel services.
•	$ 51,000	Costs of space and services, communication, utilities, printing and reproduction, and supplies and materials.

This statement covers, in general, a summary of the Board's activities. I will be glad to answer any of your questions.

Statement of
Executive Director Charles R. Yager

RAILROAD ACCOUNTING PRINCIPLES BOARD

U.S. House of Representatives

Subcommittee on Legislative Branch

Appropriations Committee
Hearing Record

To expand on Mr. Bowsher's prepared statement, I would like to place our budget request in perspective. The Staggers Act legislation which created the Board authorized $1 million per year for three years. By April of last year, we had completed a preliminary work plan and budget estimate of what would be required in each fiscal year to complete the Board's mission. Although we recognized that we had a ceiling of $1 million each year, we did not feel compelled to use the entire $1 million if it were not necessary. We realized at that point that we would not spend our full appropriation in fiscal year 1985, and that we would not require a full $1 million appropriation for fiscal year 1987. The $750,000 estimate that we had prepared in April, 1985 was based on the realization that the Board would submit its report to Congress and begin to wind up its operations during fiscal year 1987. Therefore, we anticipated that staff would be leaving during the fiscal year and not be replaced. Also, less rent and contractors' services would be required in FY 1987 compared to FY 1986.

The $750,000 appropriations request now before this subcommittee represents an update of our original three-year estimate. Some details have changed since then, but the overall level of resources required was accurately estimated. We are still working to the timetable that was originally established last year, and believe that this amount is necessary for us to complete our mission on time in FY 1987.

COOPERATION FROM ICC

Mr. **Fazio**. I want to know if the ICC and the Board are in agreement on the process that is being described. Is there cooperation between the agencies?

Mr. **Bowsher**. We have had good cooperation from the ICC, and we have Ron Young, their Chief Accountant, as one of the Board members. Needless to say, as we get down to actually establishing principles, I suspect they will take some positions that maybe not everybody on the Board—maybe not myself, as Chairman of the Board—will agree with. But I would say that up until now we have had good cooperation and no problems that we couldn't handle.

Mr. **Fazio**. Would you tell us when you think the work of the Board may come to a conclusion? Do you anticipate another fiscal year beyond 1987?

Mr. **Bowsher**. No, we don't. We hope to wrap it up in fiscal year 1987.

OTHER FEDERAL AGENCY COOPERATION

Mr. **Fazio**. What kind of support are you getting from other agencies and entities, including GAO?

Mr. **Bowsher**. We are getting good support. We are tapping into the private sector and utilizing a lot of the information from the Association of American Railroads. We are tapping into the ICC, which has a lot of information, and other agencies, in the government wherever appropriate. So, we have had good cooperation.

Mr. **Fazio**. None of these are budget augmentations, you are just talking about informal cooperation.

Mr. **Bowsher**. Yes. What we are trying to do is not re-create a lot of material that has been prepared over the years. In other words, this is an area that many, many people have studied for years in many position papers. Our big job is to sort it out and come up with principles that underlie the fabric of what systems can be utilized for those cost determinations. I think you are aware that the ICC has already announced they will not make any final decision on its URCS system until we issue our accounting principles.

Mr. **Fazio**. That is a very important decision on their part.

Mr. **Bowsher**. It makes a lot of sense. That is right.

GAO SUPPORT OF THE BOARD

Mr. **Fazio**. It indicates they are interested in this process going forward.

Is there any drawdown being created on GAO's resources?

Mr. **Bowsher**. A small drawdown. When we had to take some of those cuts in fiscal year 1986, GAO donated some staffing assistance and other resources.

Mr. **Fazio**. Is the $750,000 figure adequate?

Mr. **Bowsher**. Yes, it is adequate given the additional resources GAO is providing.

Mr. **Fazio**. More than adequate, less than adequate? It is hard to believe we pulled this figure out of the air and then had it become adequate. It is beginning to affirm many of my prejudices and beliefs.

Mr. **Bowsher**. To a certain extent, we force-fit the budget, with GAO taking up some of the burden. In fiscal year 1986, we had estimated that $1,000,000 would be required, but received only $750,000. To accommodate that reduction, GAO provided additional resources to the Board to ensure that the Board's work could continue on schedule. Thus, the Board had adequate *total* resources made available. However, $750,000 alone was less than adequate. We also economized. For example, we were hoping to do more traveling, but when we started writing this document, the team under the Executive Director stayed home to concentrate on getting the discussion memorandum into final shape. Therefore, our travel was less. In this coming year it will probably be a little more, because we will be meeting with different groups around the country. On balance, I think the money is sufficient.

Mr. **Fazio**. We will put some questions in the record and pursue the specific details.

[The questions and responses follow:]

Question. What activities do you plan to conduct in the budget year?

Response. As part of our work plan through the completion of the Board's mission, we have established a Board agenda through early 1987 (calendar year) which takes up each of the six major issues identified in our recently issued discussion memorandum.

We anticipate that the Board will make tentative decisions on principles and recommendations with respect to the issues at the time they are discussed. Some of those issues will carry over from FY 1986 and will be taken up at the beginning of the budget year. When the Board has completed its consideration of all the major issues, the staff will prepare an exposure draft containing the Board's established principles, and recommendations for implementing those principles. As with the discussion memorandum, we anticipate that the staff will prepare a draft document and that the Board will work with the draft until such time as they can agree on its contents. The draft will reflect the Board's decisions and recommendations based on a review of staff work and comments received through the discussion memorandum.

The Board will issue its exposure draft for comment so that the public has an opportunity to comment in writing. Once written comments have been received and the Board has had an opportunity to review those comments, the Board intends to conduct one or more public hearings. The hearings will provide an opportunity for members of the public to express their point of view in a face-to-face meeting with the Board. After considering the comments received, the Board will submit a report to Congress. That report, expected early in 1987, will present the principles established by the Board as well as its legislative and administrative recomendations for implementing those principles.

Subsequent to submiting the report to Congress, the Board will prepare for Congressional hearings on the principles and recommendations if Congress wishes to hold such hearings. We wil also work with the ICC and others regarding the Board's recommendations for implementing the principles.

Also during this period, the executive director will be making arrangements to windup the operations of the Board. In preparation for that, we have prepared a preliminary plan of disposition for each of the Board's employees, with the last employee leaving on or before September 30, 1987. This would complete the mission of the Railroad Accounting Principles Board, two and a half years afters its beginning.

Question. Are the ICC and the Board in agreement on your program?

Response. The work plan that the Board has established has been agreed to by all the Board members including the ICC representative. That work plan and approach contain several major milestones, such as the discussion memorandum which we have just issued, as well as an agenda for addressing issues which the Board is currently following.

The discussion memorandum which sets the Board's agenda was issued without any dissenting remarks from Board members. While there may be disagreements in the future among Board members on resolution of issues, the Board agrees with the process which has been adopted. That process serves as the basis of the FY 1987 budget request.

Question. I know you are getting good support from GAO—space and technical support. Are you also getting cooperation from any other agencies (e.g., ICC, etc.)?

Response. Over the past year, the RAPB has requested and received assistance from several federal agencies. Of course, the GAO has provided us with significant assistance in administrative support as well as in technical areas.

The ICC has, on request, provided data and technical expertise to work with the RAPB staff in developing background information and research into costing and other regulatory requirements. That assistance has been provided in the face of budget constraints and a heavy internal workload at the ICC.

We have also worked with representatives of the Department of Energy and the Department of Transportation.

Question. For the record, provide a list of all support items received from other agencies.

Response. The following items have been, or are expected to be, received during FY 1986:

GAO: Staff technical assistance; Access to GAO consultants; Contracted services; General Counsel services; Budget Office services; Financial Management services; Rent for office space; Telephone service; Copier and printing; Other administrative support.

ICC: Technical documentation of URCS and Rail Form A; Access to and analysis of ICC data; Staff technical assistance.

DOE: Staff technical assistance.

DOT: Staff technical assistance.

The following support items are expected to be received during FY 1987:

GAO: Staff technical assistance; Access to GAO consultants; General Counsel services; Budget Office services; Financial Management services; Copier and printing; Other administrative support.

ICC: Staff technical assistance.

Question. Also, we would like a detailed list of all 1986 travel and other service expenditures.

Response. Attachment 1 presents the detailed list of anticipated FY 1986 travel expenditures. The list reflects reductions to the original budget to comply with the Gramm-Rudman-Hollings reduction.

Attachment 2 presents the detailed list of net anticipated FY 1986 other service expenditures. The list reflects the total expenditures expected and the portion provided by GAO. Contractor services are classified according to general subject areas.

Attachment 1
Page 1 of 3

Railroad Accounting Principles Board
Travel Estimate
Using Federal Travel Directory or OAG Air Fares
Reconciles to Detailed RAPB FY 1986 Budget
Assumed Per Diem: $75.00
Other Expenses: $37.50

	Trans-portation	Sub-sistence	Other	Total
Board Meetings	6,792	4,594	2,297	13,683
Staff Travel				
Industry Meetings	7,576	5,175	2,588	15,338
Mtgs. With Consultants	4,832	5,250	2,625	12,707
Mtgs. With Board Member	3,890	3,000	1,500	8,390
Hearings	1,722	900	450	3,072
Total Travel	24,812	18,919	9,459	53,190

Railroad Accounting Principles Board
Travel Estimate
Using Federal Travel Directory or OAG Air Fares
Reconciles to Detailed RAPB FY 1986 Budget
Assumed Per Diem: $75.00
Other Expenses: $37.50

	Person Trips	A/F	Sou-rce	Trans-portation	Sub-sistence	Other
Board Meetings	1.75	days				
Bath	9	198	OAG	1,782	1,181	591
Peck	8	210	OAG	1,680	1,050	525
Shillinglaw	9	106	FTD	954	1,181	591
Mahaffey	9	264	FTD	2,376	1,181	591
				6,792	4,594	2,297
Staff Travel						
Industry Meetings	3	days				
AICPA - Phoenix	3	376	FTD	1,128	675	338
NCA - 1 - Denver	2	370	OAG	740	450	225
NCA - 2 - Denver	0	370	OAG	0	0	0
EGMA - Roanoke	2	280	OAG	560	450	225
AAR - New Orleans	3	248	FTD	744	675	338
TFI - Denver	0	370	OAG	0	0	0
NITL - Jacksonville	0	500	OAG	0	0	0
NCPDM - Denver	0	370	OAG	0	0	0
WCTL - Denver	3	370	OAG	1,110	675	338
Others	10	329	Avg	3,294	2,250	1,125
				7,576	5,175	2,588
Mtgs. With Consultants	2	days				
New York City	10	106	FTD	1,060	1,500	750
Boston	14	128	FTD	1,792	2,100	1,050
Other	11	180	Est	1,980	1,650	825
				4,832	5,250	2,625
Mtgs. With Board Member	2	days				
Bath - Kansas City	5	198	OAG	990	750	375
Mahaffey - Houston	5	264	FTD	1,320	750	375
Peck - New Haven	5	210	OAG	1,050	750	375
Shillinglaw - NYC	5	106	FTD	530	750	375
				3,890	3,000	1,500
Hearings						
Preparation	2	days				
Chicago	3	204	FTD	612	450	225
Denver	3	370	OAG	1,110	450	225

Attachment 1
Page 3 of 3

Railroad Accounting Principles Board
Travel Estimate
Using Federal Travel Directory or OAG Air Fares
Reconciles to Detailed RAPB FY 1986 Budget

Assumed Per Diem: $75.00
Other Expenses: $37.50

	Person Trips	A/F	Source	Transportation	Subsistence	Other
Washington	0	days				
Bath - Kansas City	0	198	OAG	0	0	0
Mahaffey - Houston	0	264	FTD	0	0	0
Peck - New Haven	0	210	OAG	0	0	0
Shillinglaw - NYC	0	106	FTD	0	0	0
Chicago	0	days				
Bath - Kansas City	0	138	FTD	0	0	0
Mahaffey - Houston	0	244	FTD	0	0	0
Peck - New Haven	0	580	FTD	0	0	0
Shillinglaw - NYC	0	356	FTD	0	0	0
Washington Members	0	204	FTD	0	0	0
Washington Staff	0	204	FTD	0	0	0
Denver	0	days				
Bath - Kansas City	0	500	OAG	0	0	0
Mahaffey - Houston	0	180	FTD	0	0	0
Peck - New Haven	0	802	FTD	0	0	0
Shillinglaw - NYC	0	308	FTD	0	0	0
Washington Members	0	370	OAG	0	0	0
Washington Staff	0	370	OAG	0	0	0
				1,722	900	450

Railroad Accounting Principles Board

Attachment 2

Summary of Other Services

	FY 1986
Other Services	
Contractor Services	134,000
Technical Editing Services	5,000
URCS Costing	15,000
Advisors to Exec. Dir.	15,000
Administrative Services	16,000
Railroad Reporting Studies	30,000
Productivity Issues Studies	8,000
Economist Services	30,000
Other	15,000
Computer Services	0
Equipment Maint.	3,000
less: Provided by GAO	(90,000)
25.00 Total Services	47,000

CLOSING REMARKS

Mr. **Fazio**. At this point, I assume all the members of the Board generally support the budget as presented and you have no dissents they would want to put on the record.

Mr. **Bowsher**. We did not have any dissents in putting out the memorandum. When we get to establishing principles, that might be different.

Mr. **Fazio**. Thank you very much.

At this time, Mr. Yager, we can excuse you. You can go back to work.

Mr. **Yager**. Thank you.

Mr. **Fazio**. Thank you very much. Ed reminds me that this is work too. He is right. We appreciate the good work that you are doing. I am sure we would have heard if you were not by somebody's definition doing good work.

TUESDAY, FEBRUARY 25, 1986.

UNITED STATES GENERAL ACCOUNTING OFFICE

WITNESSES

CHARLES A. BOWSHER, COMPTROLLER GENERAL OF THE UNITED STATES

MILTON J. SOCOLAR, SPECIAL ASSISTANT TO THE COMPTROLLER GENERAL

FRANCIS X. FEE, ASSISTANT COMPTROLLER GENERAL FOR OPERATIONS

RICHARD L. BROWN, CONTROLLER

Mr. FAZIO. The committee will take up the budget for the General Accounting Office. The budget request is $349,552,000. It includes 5,200 staff years, which is an increase of 158 positions over the current level. The budget is $61,500,000 above the revised level for fiscal year 1986.

We have the Comptroller General with us and several members of his staff. This is, I guess, your fifth appearance before this subcommittee on behalf of GAO.

Mr. BOWSHER. Five down and 10 to go.

Mr. FAZIO. We are glad to have you with us again and appreciate the rapport the committee has been able to establish with you and the people that you work with. We hope that you will make your statement available to the committee to place it in the record, then summarize or synopsize, whatever you so desire, and introduce those who are with you.

Mr. BOWSHER. Thank you very much.

With me is Milton Socolar, the man who really acts as my deputy; Richard Brown, our Controller and Budget Officer; and Frank Fee, who is our Assistant Comptroller General for Operations.

Mr. FAZIO. We appreciate the work they do and welcome them all.

OPENING REMARKS

Mr. BOWSHER. Let me say how much we appreciate the support of the Committee over the last few years. We feel that you have given us excellent support, and we have been able to do a fine job for the Committee and the Congress.

As you point out, we are requesting this year $349.6 million to fund 5,200 positions. As I said last year, I know this is a difficult budget year, and we are more than willing to work with the committee on whatever the committee feels it can support. We want to work with you and get the best mix of funding and people that can do the job for the Congress. I think we have been very successful, even last year, which was a very tough year. We ended up with a much more restrained and effective budget.

Now, 1985 was an excellent year for the GAO. We issued 586 reports. Of those, 366 were requested by Members of Congress. Our savings last year reached an all-time high of $11 billion.

SAVINGS ATTRIBUTED TO GAO WORK

I might point out that in the four-and-a-half years I have been at GAO, our work has resulted in savings of about $27 billion. A few of last year's examples of these savings follow.

One example is tax policy and administration. As a result of our work, Congress provided the IRS with over 5,000 additional positions. We were able to show that the IRS can collect about $2.9 billion in the first year and slightly more than $3 billion in subsequent years.

One of the things that worries me a great deal as Comptroller General is when operations break down like they did last year at the IRS in Philadelphia. We have teams at many of the IRS centers. We are issuing reports on that. I am hoping next week I can talk the Director, Roscoe Egger, into having a full management review of the IRS so that we can look at the short-term and long-term plans that it has. This work will be very similar to what we did for the Labor Department. If you look at what Secretary Bill Brock has done there, you will have a good idea of what these management reviews can do for the heads of agencies; especially when a new head of an agency is coming in to take over.

Another illustration of some of our savings was with the Army, where GAO had issued some reports on the Sergeant York gun. We had pointed out the problems of that major weapon system with its testing. Last year the Secretary of Defense did order additional testing and finally decided the weapon should not go forward. There were savings of over $1 billion from that decision.

In the energy area, we had issued reports some years back, Mr. Chairman, on the breeder reactor, and another one we issued, which I view as a most important report, was on the big enrichment facility in Ohio. Last year—about two years later—the Secretary of Energy made the decision to terminate the Ohio facility. Those were substantial savings of $822 million.

Those reports I think, are also an indication that the action that is taken finally for the big savings is not made in the immediate year that the first report is issued. Ultimately by continuing to review some of these programs and issue different reports, we finally amass the facts that result in those decisions.

Last year we looked at the Navy's prior year shipbuilding conversion funds. We found there were funds no longer needed, and we were able to identify $323 million of savings there.

In the health financing area, we were able to look at the insurance information on Medicaid/Supplemental Security Insurance applicants and point out that the states really could identify the medical claims that private insurers could properly pay. When HCFA was able to adopt some of these recommendations, they estimated the savings at $45 million.

In reading the papers the last week, of the issues we are working on, you see some very large ones. The Navy home porting issue is something we have a draft report out on now. This is looking at the cost of berthing those ships at different places. We will be able to point out to the Congress that there are additional costs associated with this program and also describe some of the strategic and technical issues.

You might have read in the *Wall Street Journal* recently about our report on the completed contract issue. That is where the Defense contractors, I think, have taken unfair advantage of a feature of our IRS Code. They are reporting income to the SEC and to the stockholders on an estimated completion basis, but they are using the completed contract basis for reporting income for tax purposes, thus deferring billions of dollars of income.

We put a big effort into the Farm Credit System 18 months ago and were able to identify problems there. As you probably read this past week, unfortunately they reported the largest single write-off in losses of any financial institution, double that of the Continental Illinois Bank. We qualified the FDIC's report last year on the issue of the Continental Illinois Bank, and although there was some dispute at the time, I see this week that FDIC is now saying that it will probably have to take another billion dollars out of its reserves for the Continental situation.

I think another significant report we did this past year, which is not included in our 1985 savings but which will be in the savings we report this year, is the one that Senator D'Amato and the Senate Appropriations Committee and later some of the people in the House, asked us to prepare. That report dealt with the issue of where did the $4 billion come from over at Defense that the Secretary all of a sudden found about one year ago? We looked at the estimating factors and were able to point out that large sums of money that had been budgeted for inflation turned out to be in excess of actural inflation. I think that the committees and OMB themselves are taking action this year on the matter and there will be some significant savings.

This is just an indication of the work that we have been doing and why I have been so concerned that we work on what I call major issues that affect the programs and the budgets of our federal government and what the Congress is interested in.

RESPONSIVENESS TO THE CONGRESS

Now, I will move quickly to our major initiatives. One is trying to be more responsive to the Congress. When I took over in October of 1981, we were doing about 39 or 40 percent of our work in direct response to congressional requests. That was up really from 15 percent when Elmer Staatts took over as Comptroller General. Over the past few months, our congressional request work has been running about 70 percent, and for the month of January our statistics show we are up to 75 percent. We have had a dramatic increase in the number of assignments that we are doing at the request of the congressional committees, and I think that is a good trend.

I have to point out that in some of the program areas—if you will remember, we plan our work in about 36 program areas—we are up to 80, 90, and 100 percent Congressional requests. That does worry us. We do not have any flexibility in some of those areas for self-initiated work. In one area that I reviewed just recently, the

Associate Director in charge, pointed out that the only one self-initiated job was the one on the Philippines. I think, as you can see this past week, that one now has become a very important report. That is the kind of self-initiated work that we like to have the flexibility to do. Of course, I am very pleased we are doing a high percent of our work for the Congress.

TIMELINESS OF REPORTS

As for timeliness of reports; this is our biggest problem. It is one that we are working hard on, and it is one our oversight committee has suggested we work hard on. What we have done in the last 6 months is to establish a couple of new products—briefing reports and fact sheets. These are reports that we can get to the Congress much quicker than our full-fledged report.

Why do we think that is important? Well, sometimes the committees don't need full reports. What they need is some quick facts, and we can provide that. In the past, we always had to say "We can't get that to you for a number of weeks," sometimes, even months, and the Congress always looked upon that as being untimely. We understood, and we are trying with these briefing reports and fact sheets to be more timely. I might point out that from October through the end of January, we issued about 50 of these new products.

OTHER INITIATIVES

Our long-range ADP plan, is another matter that I know has worried the committee, and I share its concern. We are getting into the final days of developing our long-range information plan. We hope to complete it, in the next 30 days. We certainly will share it with the Committee and its staff. I know that you are going to have some questions on this area, but I think that we have made good progress, and we have brought in some good people to head up this area.

In Executive Education, we have taken the advice of this committee, and have beefed up our technical executive education program. We have a major effort going on in various seminars to improve the capability—the technical capability, you might say—of our senior people. I can assure the committee that these seminars will continue until all the SES and GS-15 staff training needs have been met.

Since the CAMIS project did not go forward, we have been working to put in place an interim financial management system to try to get our own accounting system in better shape. We are pleased with the progress we are making there.

We had a problem, as you, Mr. Chairman, and other members of the Committee are quite aware, with our affirmative action area. We had to settle two suits. I am again very appreciative of the support this committee gave me in settling those suits out of court so that we could get on with the job that we want to do at GAO. We are working to ensure that everybody has an equal opportunity for hiring, for promotions and for rising to his or her fullest capability.

CONSOLIDATING PUBLISHING FUNCTIONS

We are consolidating our publishing functions, which had been dispersed in several places in GAO, into one unit. We have a new report format which, I think, all of you are finding more readable, and we are very pleased with the way that is going. I have a couple samples of the new format here if anybody would like to look at them.

ASSIGNMENT OF GAO STAFF TO CONGRESSIONAL COMMITTEES

One area that last year's conference report asked us to address was the assignment of staff to congressional committees. We have addressed it. We are still doing some fact finding in this area, but there are two principal areas that do worry us a bit. One is that we have had individuals on assignment for more than one year. I might mention that in fiscal year 1985, we had 117 staff members assigned to congressional committees. By statute an assignment is supposed to be for one year. We have been fairly flexible, but unfortunately some of that has been stretched. I think it is important that we get back to what the original statute stipulates with some flexibility. I don't want to have people here for 2 and 3 years when the Congress clearly said it should be one year.

My second point is that I want to make sure we are sending our best people to the Congress and that the best people, as they come up for promotion to the grades 14 and 15 and SES levels, have Hill experience, because it is awfully important and helpful to their careers.We want to make sure that the people that come to the Hill get promoted when they return if they do a good job. This is an area we still need to straighten out, and we hope that we can work again with the Committee and its staff to make sure, as we move along, that we are doing the right thing.

One reason why I worry about this area, in addition to the Committee's concern, is that with the Gramm-Rudman-Hollings pressure on the Hill, I think we are hearing people talk about borrowing people from GAO to offset the effects of cuts on the Hill while we are also taking our cuts. I think we have to be careful. I don't want the public or the press to have any idea people are fudging on some of the cuts by using our staff to circumvent their own cuts.

So I think, for both our sakes, this is an area we ought to get straightened out.

Mr. **Fazio**. I would like to intervene at this point. I am sure you are keeping an equal watch on the White House staff as they have a propensity to borrow staff throughout the Executive Branch on a regular basis. That request has gone to you, and we look forward to the results of the oversight you provide. I can't dispute what you have just said. You are right, and the pressure upon you will be greater than ever given the cuts we have had on the Hill.

Mr. **Bowsher**. Yes.

CLOSING PANAMA OFFICE

I would like now to say that we are closing our office in Panama City, in the Republic of Panama. This is something we spoke to the Chairman and the Committee about a year ago. This office originally opened to do the financial audit of the Panama Canal Commission. We will be phasing out of that audit sometime in the 1990's, and although we do work in Honduras, El Salvador and other places, we have been finding that most of the people on those assignments have been from Washington and other offices. We really think that we can effect some savings, utilize our staff better without that office, and still provide the Congress with all the coverage they need and do the financial audit as long as the Congress wants us to do it. We would be more than pleased, at some point, to see that audit contracted out and done by a CPA firm.

STAFFING REQUEST

Now, if I could just talk briefly about our 1987 request, the 100 people. As you pointed out, Mr. Chairman, we would utilize them as follows. The 25 in Defense would be primarily in the areas where we are putting more people, into the larger Defense contractors' plants—not to duplicate the work of the DCAA, but to look at the systemic areas we are concerned about, like the use of unpriced orders, issues associated with subcontractors, contractor cost estimating systems, and the technical evaluations of proposals.

For a number of years GAO did not have people in the Defense contractor plants. That worried me. When I got here, other people mentioned it to us, and I think today we are doing a better job of knowing what is happening there by having people working on these kinds of problems. Then if we come across individual problems, we, of course, report them too.

We would like to put 35 people in our ADP and telecommunications program. Again, as we pointed out to the committee the last 2 years, this is an area we feel we have to build up if we are going to audit the program information that is being put on computers more and more and the telecommunication systems of the federal government.

We would like to put 25 people into conducting audits of the agencies' financial operations and corporations. In the past couple of years we have had some very significant financial audits on FDIC, FSLIC, and the Ex-Im Bank. We have had to qualify some of these reports. We are now doing some financial audits of the agencies themselves, like the GSA, and I think the information that will be coming up in these areas will be worthwhile.

We are forming a new group in GAO to handle investigations. We would use 15 of these positions in our new investigations group, which will not do all the investigations, because we do more than that. But we would like to get a specialized group that will be in the Office of the General Counsel initially, and maybe eventually be a separate unit reporting to the top, so that we can become more expert on these real investigations and not just the audit types of program evaluations.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD

Mr. Chairman, that brings me pretty close to the end of my opening comments. I would like to cover a couple of other items. One is the Governmental Accounting Standards Board. This is a program for which we had asked for $50,000 for 2 years. The committee was willing to give us that. Last year you mentioned in your report you thought maybe that was enough.

I would like to point out this is really a five-year effort to try to improve the accounting standards at the State and local levels. We have a distinguished member, Elmer Staats, as one of the Board members, and if it would be okay, I would be pleased, to have Elmer meet with the committee and its staff sometime to explain how the Board is operating and show why it is important that we make a further contribution. I truly would like some day to have the accounting standards of local governments, state governments and the federal government be on the same principles so that elected officials don't have to learn a whole new set of accounting and financial reporting standards as they move from one level of government to another. I think this is the effort that can help achieve that goal.

GAO ROLE CONCERNING GRAMM-RUDMAN-HOLLINGS

I would like to point out one other thing, and that is with the court's decision on Gramm-Rudman-Hollings, this is one of the areas that might be up for change in responsibility depending on how the Supreme Court comes down. I think that the more agreement we have on financial management principles tying together what the private sector and government sectors are doing, the more support we will have for accounting principles in the federal government area.

I would just like to quickly point out our role in the Gramm-Rudman-Hollings effort. As you are aware, we were given a significant role by the Congress in the legislation. I think we performed that role very well in January by issuing our report on time. We issued it in 6 days, as the act required. But then the court said that the role we were to play was not constitutional because of the CG removal procedure. That is an issue that we have appealed to the Supreme Court. Just yesterday they accepted our recommendation and those of the other parties, that the case be heard on the 23rd of April, and the Supreme Court has given every indication that it would try to decide the case in June or July. That means we would have it decided, from the Court's point of view, before we would go into the fiscal year 1987 role in that area.

GRAMM-RUDMAN-HOLLINGS IMPACT ON GAO

As far as its impact on GAO, we had to take our 4.3 percent cut like everyone else. As a result, we have implemented a hiring freeze, and, we are hoping to have a decrease of 58 average positions through attrition. We are reducing our funds available for travel by $2.85 million, we are reducing our training by 35 percent, or close to $1 million, and we are reducing our timesharing and other ADP contract services by about $880,000. We are going to sharply curtail contracts for services of experts in fields where sometimes we need the help. That may affect our ability to do certain reports.

Now, if we get the attrition that we are looking for we can get through the year with these cuts. If we don't, we might have to have a furlough at the end of the year. Right now our best estimate would be a furlough of 1 or 2 days, but we are hoping not to have one. Frank Fee went out to our organization with these cuts, and we said to the organization, "Look, this is what you have to find, and if you can find it, we probably won't have to furlough at the end of the year," and we would like not to do that.

They came back with 100 percent acceptance of what we had suggested and the additional cuts that we had asked them for, so I think we are in pretty good shape except this one big issue. That is, do we get the attrition? Will a number of people retire or leave or something? Will it work out through that basis? We are going to try very hard to get through the year with minimum disruption to GAO.

At the same time, there is no question we probably will have to do fewer reports as some of these people leave, but we are not quite sure how many.

Let me just close, Mr. Chairman, by saying again how much we appreciate the support that this committee has given us the last few years in providing funding to permit the training and travel to do the job, to improve our reports formats, and to increase the capability of our people. We look forward to working with you again to try to maximize whatever dollars you can give us for the coming year.

[The statement of Mr. Bowsher follows:]

UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C.

FOR RELEASE ON DELIVERY

TUESDAY, FEBRUARY 25, 1986

STATEMENT OF

CHARLES A. BOWSHER

COMPTROLLER GENERAL OF THE UNITED STATES

BEFORE THE

LEGISLATIVE SUBCOMMITTEE OF THE APPROPRIATIONS COMMITTEE

UNITED STATES HOUSE OF REPRESENTATIVES

ON

BUDGET ESTIMATES FOR FISCAL YEAR 1987

Mr. Chairman and Members of the Subcommittee:

I am pleased to discuss GAO's budget request for fiscal year 1987. The Justification of Estimates for that year, which you already have, describes our request in detail.

In fiscal year 1987 we are requesting $349.6 million to fund 5,200 average positions. This will provide funding for an increase of 100 average positions over those authorized in 1985. It is another step toward achieving the 5,500 average position level which, barring current budgetary constraints, will permit us to properly fulfill GAO's total responsibilities.

We have reviewed the effects of Gramm-Rudman-Hollings on the GAO for fiscal year 1986 and have taken some specific management actions which I would like to review with you in more detail later in my statement. The effect of these reductions on our fiscal year 1987 request, however, is still uncertain and difficult for us to predict. I expect that as we get closer to bill mark-up, we will know better where we stand and will be able to work with the Committee to make appropriate adjustments, if necessary, to our fiscal year 1987 estimates.

GAO's work has always been of value as we seek ways to improve the effectiveness of government programs; however, GAO's work should be of increasing importance as the Congress looks for ways to trim deficits in accordance with the goals of the Balanced Budget and Emergency Deficit Control Act, and as we seek ways to improve the effectiveness of government programs. If we continue to receive the necessary resources, I believe we can respond to congressional needs with high-quality, timely work which the Congress can rely on in making difficult decisions. Our record of accomplishment shows that we annually return considerably more in savings than is appropriated to us.

GAO WORK IN FY 1985

1985 was an excellent year for GAO. We issued 586 reports, 366 of which were requested by committees and members of Congress. The quality and usefulness of GAO's work continued to improve, and we initiated major efforts to improve the format and timeliness of our reports. Most importantly GAO recommendations to Congress and agency officials contributed to improved government operations in numerous areas.

In fiscal year 1985, GAO again demonstrated its ability to save significant dollars from agencies' programs and appropriations by identifying $11 billion in measurable savings. In the 4 1/2 years that I have been at GAO, our work has resulted in total measurable savings of $26.7 billion. These are real dollar savings involving budget reductions, collections, and better use of available resources.

Some examples of these savings in fiscal year 1985 follow.

Tax Policy and Administration

On a number of occasions, GAO informed the Congress that voluntary compliance with the nation's income tax system was decreasing and that additional staff at IRS would cause a large and immediate flow of tax revenues. As a result of GAO's work, Congress provided the IRS with over 5,000 additional positions. IRS estimates that this initiative has resulted in a net increase in income tax collections of about $2.9 billion in the first year and an average annual increase of slightly more than $3 billion in subsequent years.

Army

In a series of reports, congressional briefings, and testimony on the Army's plan to procure the Sergeant York gun (also known as the DIVAD gun), GAO expressed its concern that the Army would procure a weapon that had not proven itself in testing. The Secretary of Defense ordered additional testing before committing the government to further procurement of the Sergeant York gun. When the weapon did not perform well in the tests, the Secretary cancelled the program resulting in a savings of over $1 billion.

Energy

The Department of Energy enriches uranium for use as fuel in nuclear power reactors. Since 1980, GAO has questioned the justification for building a new, multibillion-dollar enrichment facility known as the gas centrifuge enrichment project. GAO found that the demand for the Department's enrichment services had decreased dramatically since the project was authorized and recommended that the Department demonstrate that the centrifuge project was needed and more economical than other technologies. After the Department completed the analysis we recommended,the Secretary of Energy decided to cancel the project because the analysis did not support continuing construction. This action resulted in savings of $822 million.

Navy

GAO reported that the Navy had prior-year shipbuilding and conversion funds that were no longer needed and could be used for other purposes. Acting on this information, the Congress made these funds available to cover Navy personnel and operation and maintenance expenses in fiscal year 1985. This action precluded the need for Congress to provide $323 million of new appropriations to cover other expenses.

Health Financing

GAO recommended that the Social Security Administration (SSA) provide states with insurance information on Medicaid/Supplemental Security insurance applicants so that the states could identify medical claims that private insurers should properly pay. Acting on GAO's recommendations, SSA and the Health Care Financing Administration (HCFA) conducted a successful pilot project and provided states with the information on Medicaid/Supplemental Security Insurance applicants. HCFA estimated that, by using this information, participating states are increasing the amount of health care costs paid by private insurers and reducing both federal and state Medicaid costs. The estimated financial benefits from our recommendations are $45.7 million.

MAJOR INITIATIVES

Since I became Comptroller General in 1981, requests from committees and members of Congress, including bill reports and legislation, have shifted GAO's workload priorities. In fiscal year 1981, 39 percent of our work effort was in direct response to congressional requests; this proportion continued to rise and in fiscal year 1985, this level rose to 57 percent; and in the first quarter of fiscal year 1986, this upward trend continues with the percentage rising to 71 percent.

In September 1985, I issued a memo to GAO staff clearly stating that responding to congressional requests is GAO's top priority. As a result, GAO has placed considerably more emphasis on responding more quickly to congressional requests and on improving the efficiency and effectiveness of its work.

During 1985, progress was made in each of the major areas of interest discussed during our last appropriation hearing. Let me summarize.

Timeliness of Reports

Beginning in 1985, we began to develop new products with the intention of providing the results of our work to the Congress more quickly. We now have a new set of products called briefing reports and fact sheets. These products are designed to provide information and analysis quickly and concisely--usually in tables, charts, or graphs--and are prepared and signed by our associate directors. The products can be tailored to the specific needs of the Congress and can usually be prepared and issued more quickly than a formal report. You may recall, Mr. Chairman, that we used one of these new products to respond quickly to a request that you made at last year's hearing on the impact of the potential closing of hundreds of Social Security district offices. From October through the end of January, we had issued more than 50 of these new products in fiscal year 1986.

As part of our emphasis on timeliness, we are continuing our program of moving report review functions to the operating divisions. The Program Evaluation and Methodology Division will assume review responsibility March 1, with the remaining 2 divisions to follow later this year. Moving report review functions to the divisions speeds up report processing.

Even with our increased emphasis on timeliness, GAO must and will maintain its high standards of quality and accuracy. We will continue to experiment with ways to achieve consistently high-quality products in the most efficient ways possible.

Long-Range ADP Plan

GAO has spent an intensive 6 months in developing a long-range information resources plan. A combined team of GAO and contractor staff interviewed several hundred staff members on many levels of the organization to define the agency's requirements for information resources. The team also utilized the information developed as part of the former CAMIS program. The team worked closely with our divisions, regions, and offices to refine this data and to build it into a framework that would meet GAO's evolving needs. A steering committee of GAO's executives has worked with the project team to ensure that the plan would be operationally, as well as technically, sound. We will discuss the plan with the Committee staff before it is finalized and will provide a copy to the Committee.

Executive Education

GAO initiated its Technical Executive Education Program in fiscal year 1986 with the development and implementation of four 1/2 day briefings and five extended in-depth seminars in the areas of design/methodology, economics, and quantitative skills. These seminars will be continued until all the SES and the GS-15 staff training needs have been met.

Also, in fiscal year 1987, two executive technical seminars will be added; one in the area of data reliability and the other concerning current national policy issues.

The core technical curriculum for career-level evaluators is now in place and it continually updates our journeyman-level evaluators in new methods and skills; many of the skills identified by our executive panels in the financial management, economics, and methodology areas during fiscal year 1985 are now being taught to large numbers of staff.

Financial Management System

In fiscal year 1985, GAO procured a financial management system package which will result in some interim changes to our financial management system pending the completion of our long range ADP plan. Installation of these interim changes is proceeding well, and they should be operational by the beginning of fiscal year 1987. They will replace some antiquated portions of existing financial management systems, and will enable GAO to prepare its financial statements in accordance with generally accepted accounting principles and standards.

OFFSET
CAMERA COPY

Office of Affirmative Action Plans

Following last year's hearing, I decided to settle two pending discrimination class action suits before their appeal to the federal courts. I very much appreciate your support of this decision by appropriating the necessary funds to make the required payments.

I want all GAO staff to fully develop their potential and to be treated fairly in all aspects of our operations. In keeping with this, I recently established an Office of Affirmative Action Plans, reporting to the Assistant Comptroller General for Operations. This new office is assuming certain responsibilities previously assigned to our Civil Rights Office.

The organizational placement of the new office is intended to directly link GAO's affirmative action program with employment, promotions, and other line functions. The office will work with GAO officials to establish individual unit goals and timetables for hiring and promoting women and minorities and will monitor progress toward achieving the goals.

Office of Publishing and Product Communications

I have consolidated publishing functions that were dispersed among various offices in the GAO, into the Office of Publishing and Product Communications. This office will now manage such things as visual communications and presentation standards, in addition to the printing and reproduction functions it performed in the past.

Assignments to Congressional Committees

The conference report on our fiscal year 1986 appropriations bill requested GAO to analyze the impact of assignments of staff to congressional committees and to make recommendations to correct any problems that are identified.

The number of requests for staff has increased modestly in recent years. In fiscal year 1985, we assigned 117 staff members to congressional committees for periods up to a 12-month limit. Several committees use GAO frequently, and in some cases we have had to make exceptions to the 1-year limit for assignments to committees.

Generally, GAO is not reimbursed for salary, travel or other expenses incurred by GAO staff, with the exception of the Surveys and Investigations staff of the House Appropriations Committee. This staff consistently reimburses GAO for travel expenses. Also, during 1985, we were reimbursed for travel expenses for staff assigned to the House Committee on House Administration to recount ballots in Indiana, and are from time to time reimbursed for travel expenses incurred by GAO staff assigned to other House and Senate Committees.

During our review we have identified 2 principal issues that we need to explore further before we can determine whether specific recommendations to the Committee are necessary.

1. Regarding instances where individuals assigned to committees have been extended beyond one year, it is important for us to enforce the 1-year rule if we are to maintain continuity in our own operations as well as in the individual's personal development program. A 1-year tour permits our people to grow in experience, which is essential to their career development when they return. We cannot always convince the committees involved of the need to plan committee work so as to avoid overly long retention of GAO personnel.

2. Committees periodically request GAO people by name. Depending on an individual's job assignment, honoring a named request can be difficult without seriously disrupting other priority work. Our policy is to send the best possible staff to the Hill, consistent with the nature of the request. We must retain the flexibility in assigning staff to give more of our staff the experience of working for a committee and to demonstrate to the requesters the full range of capabilities of the GAO staff. We need the flexibility of insuring that a maximum number of GAO employees have the opportunity for a congressional detail.

I am concerned, however, that as the effects of Gramm-Rudman-Hollings are felt by congressional committees, GAO may be called upon more frequently to assign staff to committees. I will monitor this situation and will keep the Committee informed if problems arise that we cannot resolve.

Latin America Office

GAO is closing its office in Panama City, Republic of Panama, effective September 30, 1986. This office assists our Washington divisions in doing programmatic work in Central and South America, and in doing a financial audit of the Panama Canal Commission. GAO will still be responsible for doing this work. However, each assignment will be staffed from our Washington offices with some assistance from our regional offices.

1987 REQUEST

I recognize this will be a difficult year to authorize any increases in staff size. But, I believe our request is justified. GAO plays an important role in identifying areas where government can be improved. During the next several years, a strong, well-staffed GAO will be one of the most important assets Congress has for making the difficult decisions necessary to reduce the budget.

As noted earlier in this statement, we are requesting an increase of 100 average positions over the level authorized for fiscal year 1986. We intend to use them in issue areas that continue to demand extra resources--staff that cannot otherwise be made available to accomplish our increasing workload.

The breakdown of that request follows:

---25 in the defense area to provide more coverage on defense procurement matters and the way DOD acquires military goods and services.

---35 to help us meet defined objectives in our reviews of complex government-wide ADP and telecommunications programs. ,

---25 for conducting audits of agencies' financial operations.

---15 to conduct special investigations of alleged fraud, waste, and abuse in federal programs. We are receiving a considerable increase in requests for investigations, an area where GAO has not been active in the recent past and where we lack sufficient expertise.

Investigations

I will soon be announcing the establishment of an investigations group in the Office of the General Counsel. This group will be primarily responsible for investigating alleged problems of waste, fraud, and abuse in federal program management. The initial staffing will be limited because of budgetary constraints and to assure we develop appropriate policies and procedures for doing this type of work well. I will keep the committee informed of our progress. Establishment of this group is in direct response to the questions raised by you and other committees concerning GAO's lowered involvement in this type of evaluative work.

Governmental Accounting Standards Board

This year we are making the second of 2 payments of $50,000 as a federal contribution to the establishment of the Governmental Accounting Standards Board. I am asking that the provision authorizing this payment in our appropriation language not be deleted as the committee intended last year. I believe that this modest sum should continue to be provided for the 3 years that remain before the Board's scheduled review. Doing so will ensure full implementation of the Board's original goals of determining uniform accounting standards for state and local governments. We also hope that some of the Board's work may be applicable to the federal government, in which case we would seek to adopt these rules as part of our regular process of setting accounting standards for federal agencies.

BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985

The Balanced Budget and Emergency Deficit Control Act of 1985, commonly referred to as Gramm-Rudman-Hollings, affected GAO in two ways:

(1) GAO played a major role in implementing the act in fiscal year

1986 and,

(2) GAO's resources were reduced in accordance with the President's February 1, 1986, Executive Order. Allow me to summarize these two actions.

GAO's Role

The act required the Comptroller General to review the reports of the Directors of the Congressional Budget Office and the Office of Management and Budget and to issue a separate report to the President identifying the specific cuts that were to be made in each program, project, and activity. The Comptroller General was required to independently analyze the Directors' report and the underlying support and, based on this review, to issue his own report specifying the percentages and amounts by which programs are to be reduced. The Comptroller General's report was issued on January 21, 1986, in accordance with the act. GAO staff were used to conduct the necessary analysis, and a select group of consultants was used to assist in assessing the economic assumptions and the Department of Defense expenditure estimates.

The act also requires that the Comptroller General issue a report on April 1 specifying whether or not the President's sequestration order complied with the act. GAO staff are now doing the work required as a basis for that report.

As you know, a special district court ruled on February 7, 1986, that the Comptroller General's role in administering the act is unconstitutional. This decision is being appealed to the Supreme Court.

Impact on GAO's Operations

Like all government agencies, GAO is subject to the act's provisions. We are taking steps to reduce GAO's budget by 4.3 percent. To accomplish this, we are:

--Implementing a hiring freeze for the remainder of the fiscal year. Use of average positions will be decreased by 58, eliminating completely the growth planned for fiscal year 1986 over 1985. While this reduction hopefully is achievable through attrition, inability to replace critical vacancies such as attorneys, computer specialists, secretaries, and accountants will impair GAO's ability to do some of its work, which might include some congressional assignments.

--Reducing funds available for travel by $2.85 million. This will require an elimination of travel for almost all administrative purposes, a reduction in supervisory travel on jobs, and a reduction in the scope of some jobs. Efforts will be made to insure that the integrity of our jobs is not compromised, but we may have to defer some jobs pending availability of additional resources.

- --Reducing training by 34 percent, or $0.8 million. Although this will permit us to continue institutional courses for new evaluators, it will limit technical training of middle and senior level staff and will dramatically reduce GAO staff's presence at external conferences, seminars, and workshops where travel and/or registration fees are required. Attendance at those forums is intended to enhance the knowledge and skills of evaluators and managers to perform GAO's scope of assignments by permitting them to be exposed to the latest developments within their chosen areas of expertise.
- --Reducing timesharing and other ADP services by about $880,000. The scoping of many jobs will have to be revised with some work being postponed until more resources can be identified. Planned alterations to administrative systems will be deferred.
- --Sharply curtailing contracts for services of experts in fields where GAO lacks such expertise. We are concerned about the impact of this reduction on the scope and timeliness of certain reports to the Congress and will take precautions to maximize the availability of funds for congressional work.

If demands placed on GAO result in our inability to achieve these and the other planned reductions, we will have to furlough all employees this summer for 1 or 2 days.

CONCLUSION

We believe that the Congress will continue to look to GAO for assistance in solving very difficult program administration and funding problems. GAO needs to be staffed with effectively trained personnel to adequately respond to increasing requests for information from committees and members of Congress. You have supported us in the past and we hope you will continue to do so in the coming years. This ends my formal statement, Mr. Chairman. I am pleased to have this opportunity to respond to your questions.

COOPERATION AND PARTICIPATION FOR GOVERNMENTAL ACCOUNTING STANDARDS BOARD

Mr. **Fazio**. I appreciate your very comprehensive statement. It covered a number of items that the Subcommittee will take up today. There are a couple of points which I would like to cover now.

In terms of the accounting standards for government, are you getting financial cooperation and participation from state and local governments?

Mr. **Bowsher**. Yes, I should point that out. At one time, there was a question of whether the states would come through with the money that they had said they would. We have a few states that haven't, but I think 40 some states have come through with either as much as they had budgeted or more. The organization is off and running and in good shape. We are getting good support from the AICPA, which gave $400,000 from the private accounting profession. I am hopeful they will be able to continue that.

So the GASB is being properly financed, and that was, of course, one of the big question marks. That is another reason I would hate to see the federal government drop out of the picture.

Mr. **Fazio**. The committee put in $50,000 each of the last two years, and you are asking for that same amount for three more years?

Mr. **Bowsher**. Yes. We have some states putting in as much as we are. The larger states are contributing more.

Mr. **Fazio**. That is good news. The Federal budget and accounting system is complex and needs improvement as is true of others at the state or local level. I agree with much of the critique of our budget process that has been reported in the press lately. Some Members of Congress, including some with accounting backgrounds, have taken this up as a personal crusade. I would like to talk to you personally about this sometime later. The Budget Committee, of which I am a member, attempted to do some analysis of the Federal budget versus state budgets to clarify the distinctions between operating and capital budgets. There could be substantial benefits derived through a thorough review of the budgetary process, and a change in the method by which accounting is made.

Mr. **Bowsher**. I think it is long overdue. As you are well aware, I have been advocating this for 2 or 3 years. I know some people are anxious to keep the existing system, but the existing system today is many systems. In other words, with Gramm-Rudman-Hollings, we have now introduced another chart of accounts. So one of the great problems I believe the Members of Congress are having is coping with the different scorekeeping systems that we have. That is a major difficulty when it comes to budgeting.

As far as how the money is being spent and how it is being accounted for, we are doing a very poor job. The time has come to make the investment. Some of the states and cities have made that investment in recent years. It is something that should be reviewed, because some of them have done quite well.

COMPLETION OF ADDITIONAL WORKLOAD CREATED BY GRAMM-RUDMAN-HOLLINGS

Mr. Fazio. Without getting too deeply into the issue, the issue of privatization, the sale of assets for short-term gains in a budget year are good reasons to further investigate our budget process, including the derivation of income from our assets. You are saying that all of this comes to the fore as a result of misbegotten proposals that affect efforts to reduce deficits in 1987.

But I would like to ask you, how did you do this prodigious amount of work on the Gramm-Rudman sequestration? How were you able to accomplish that work in a relatively short period of time?

Mr. Bowsher. Mr. Chairman, we formed a task force immediately after the assignment was given to us in late December. We divided the work up between defense, nondefense and economic analysis reforecast. So, we really had three groups looking at it.

We met at the White House with the Directors of OMB and CBO, and told them exactly how we were going to do the review process. We told Defense that we were going to be looking at the spending rate and some of the other areas we thought might be contentious. We told everybody right up front what areas we were going to be looking at. We said, "This is how we are going to be doing it. We hope the input that you send us will be in good shape and that you can send it to us, as the conference report had urged, ahead of time." We had a mixture of success there not because people were not trying to be cooperative, but because it took some time to pull their submissions together. We did as much work as we possibly could before we officially got the report from OMB and CBO. I thought their reports were in quite good shape. In fact, when we testified—the three of us, Miller, Penner and myself—before the Senate Budget Committee shortly after issuing all of those reports, some of the Senators pointed out they had never seen the groups work as well together. I think that that was true.

Then we went into practically around-the-clock work for 5 or 6 days. One day we finally went to a double shift. I went home, Milt stayed all night, and I came in the next morning and started working on the report again. That is how we got the job done. We had a nucleus of about 30 people who did it. We had a lot more people on the production end of it, and that is how we got it out in 5 or 6 days. We had our computers geared into it, too. That is an example of where our investment in computers certainly helped.

Mr. Fazio. I thank you.

I have a question for the record concerning the GRH workload.

[The question and response follows:]

Gramm-Rudman-Hollings

Question. For the record, provide a tabulation of the personnel, calendar and staff hour time, and cost of the GRH workload.

Response. The time charges are still being refined and, of course, we are still performing work. Our best estimate at this time is that it took around 788 professional staff-days to review the OMB/CBO report and to prepare and issue the Comptroller General's report on January 21. This reflects 688 staff-days devoted to the job by the basic team, which involved about 30 people.

These people also put in extensive overtime most of which was neither compensated nor recorded. In addition, others were brought in either to help resolve specific issues or to help in the final processing of the report. Much of that was over the holiday weekend and was also neither recorded nor compensated. We estimate that these factors would add about 100 staff-days to the cost of the assignment, for a total of 788 professional staff-days. This does not include the 168 staff-days spent on the job by the administrative staff, who also were vital to completing the assignment on time.

In total 111 people worked 956 staff-days on the project. In addition to the senior review group of the Comptroller General, Milton Socolar, Henry Eschwege, Harry Van Cleve, and Neal Curtin, the following are those who participated:

Project Manager: Harry Havens.

Secretary Support: Helene Horvat and Wilma Larson.

Economic Matters: Larry Thompson.

Defense Accounts: Donna Heivilin.

Non-Defense Accounts: John Cherbini and Jim Kirkman.

Legal Issues: Jim Hinchman and Robert Hunter.

Coordination and Production: Ken Hunter and Bill Jenkins.

Economic Analysis: Nancy Hamilton, Jon Ratner, Dave Kass, Hal Brumm, Mike Gutowski, Brian Edwards, Chuck Vehorn, Steve Swaim, Bob Roberts, Tom Eickmeyer, Ken Bombara, Sigurd Nilson, Chuck Bausell, and Chuck Novack.

Defense: Bill McNaught, Patricia Riggle, Cynthia Marszrelak, Chris Goben, Tim Carr and Jerry Tempelski.

Non-Defense: Katie Harris, Norma Samuel, Jennifer Slusher, and Teresa Renner.

Legal Issues: Paul Edmondson, Jane Sajewski, and Robert Murphy.

Coordination and Production: L. J. Latha, Liz Powell, Barry Synder, Terry Young, Jerry Connolly, Tom Leech, Bill Shook, Mark Stefan, Ira Goldstein, Mike Spear, Deborah Signer, Patricia Moran, Tom Hagenstad, and Marv Doyal.

Printing and Distribution: Dick Brown, Julius Brown, Sara Powell, John Hill, Joyce Currie, Patricia Peterson, Ken Allen, Maurice Alexander, Delores Finch, Sheilda Bell, Bessie Williams, Willie Crawford, Bernard Nizic, Jerome Thompson, Marlin McCrae, Ida Paterson, Keith Houston, Joel Hannah, Joseph Warren, Herbert Greene, James Blair, Juanita Edwards, Ron McPhatter, Barbara Scott, Kinney White, Margaret Butler, Peggy McClerkin, Marion Swann, Brenda Jay, Toni DeBruhl, Ann Morton, Beverly Vick, Terron Brown, Robert Pryor, Gertrude Pryor, Gertrude Quarles, Edwood Phone, Adrian Sherwood, Seyvah Bishop, James Smith, Darrell Savage, Guy Colman, Marquis Henderson, Ronald Toles, Delaney Branch, Earl Patrick, Steve Hamlin, Earl Jones, Sam Himbrick, Shirley Smith, Glenda Oliver and Brenda Carpenter.

Cost: Approximately $400,000.

DISAGREEMENT ON BASE FOR SEQUESTERING DOD FUNDS

Mr. **Fazio**. You might want to describe briefly the one area of major disagreement with the Congressional Budget Office.

Mr. **Bowsher**. Yes. The big disagreement was in the Defense area. This is where the Congress had given Defense $6.3 billion in transfer authority at the very end of the year. When the CBO and OMB went through and looked at the sequestered base, they agreed with DOD that it shouldn't be included in it. The more we reviewed it, we couldn't come to that conclusion.

We went back and met with their lawyers, budget analysts and other officials. We were especially concerned that it hadn't left the original appropriations. We even asked the Defense Department people, "Can you give us a letter showing what appropriations account you intend to move that money to?" They wouldn't give us that letter. So we finally decided to include that in the sequestered base. That was the major change, as you point out.

The ones in the nondefense area were a lot of individual items, but they didn't total up on a net basis to being all that much of a change. So I think that it went quite well.

METHOD OF APPOINTING COMPTROLLER GENERAL

Mr. **Fazio**. Your general independence that you show in regard to the dissent is clear testimony to the desire that many of us in Congress have to maintain your independent status. The Comptroller General cannot be pressured under the current method of appointment. The system works well, and it should be retained.

I feel very strongly about not changing the selection and appointment process and the tenure of the Comptroller General.

Mr. **Bowsher**. We have given it a lot of thought in the last 2 or 3 weeks and have come to the same conclusion. In other words, we feel that the appointment process is very effective, has worked well over the years, and gives a role for both the Legislative and the Executive Branches. That part of the GAO statute of course, was ruled constitutional.

On the removal, by joint resolution, I think it has been a real safeguard, but independence is the whole issue. Independence and objectivity is key to the the credibility of GAO. We don't know how the courts are going to come out. We hope that can be sustained.

RESCISSIONS AND DEFERRALS

Mr. **Fazio**. I appreciate the cooperation, and the ability to work together that you have shown with CBO and OMB. Before we go further, we should talk about an area which perhaps has become excessive. I know Mrs. Boggs, Mr. Murtha and others share a concern I have, which relates to authority provided to you under the Budget Act to decide among those issues that are brought by OMB to Congress as rescissions or deferrals.

There is a strong feeling on the part of Members of Congress, and in many committees in both parties, that there is insufficient attention provided to the deferral of funds provided in appropriation acts. In the aftermath of the one-House veto decision, the Chadha decision, the Congress is particularly troubled by the inclination to include under the category of deferrals items which clearly should be represented as rescissions.

I would like to yield at this time to Mr. Murtha, who has particular concern in this area, and then Mrs. Boggs, as well.

Mr. **Murtha**. Thank you, Mr. Chairman.

Mr. Bowsher, I am quite concerned about these so-called deferrals, which you have interpreted apparently as deferrals. We as the Appropriation Committee, at the end of the year, make an agreement with the President. We sit down and very delicately balance the budget, and I say balance, we agree to certain things. He wants certain things, I may agree with him in defense, and we want certain things in fossil fuel.

Last year we went to a continuing resolution. We sat down very carefully and tried to measure what we felt was in the best interest of the country. The President agreed to it, he signed the bill. And the minute we come back, he sends up a number of deferrals of these spending agreements, (one of them being the one I see GAO has agreed with was a rescission on SPR.)

For instance, in Interior appropriations, witness after witness came in today talking about DOE funds that had been appropriated over the years to continue energy programs. They didn't get any deferral notice from DOE at all. They read in the newspaper or somebody calls them on the telephone and says that their research project in fossil fuels had been deferred. They have private money invested in these particular projects.

The administration has said that it plans to terminate these projects via deferrals of FY 86 funds. Yet, by law, they must use a rescission not a deferral. These projects aren't projects they are trying to defer for next year and they are not using deferrals in the ordinary sense that there are overages of money, but they are actually impounding the funds, eliminating the project and going clearly against the will of Congress as expressed in the 1974 Budget Act.

IMPOUNDMENT BY THE EXECUTIVE BRANCH

I would hope that this first decision you have made on SPR is just a first decision, and we will see many of these, because I don't see how there is any way you can interpret this "deferral" as being other than impoundment by the Executive Branch.

Mr. **Bowsher**. We share your concern about this whole impoundment area. I would like to point out it comes up in varying degrees every year, and it came up very much the first year I was in office, fiscal year 1982. Congressman Mineta of the Budget Committee was concerned that we were not looking at it aggressively enough. Milt Socolar testified and pointed out what we were doing and what we were willing to do. There is no question at all about our willingness to look at these issues. We are willing to call hard decisions, we are certainly willing to sort them out, and we are willing to put enough staff on each of them.

Now one thing I would like to point out, is it generally takes a team of lawyers and auditors to work on it. I think sometimes people have misunderstood when they see one of our teams and think that they are the only people working on it. We actually have a nucleus of lawyers who work on this, and whatever the program area is, we will bring in our program people to look at it and try to sort it out.

But what happens is that some years there isn't as much activity; OMB and the President don't go for as many impoundments. Then all of a sudden, it rears its head again. Obviously this year the activity has all of a sudden become significant again, and what you are asking is for us to get in there and do our job, and we are more than willing to do our job.

The person who has worked on this, going right back to the impoundment act in the 1970's, is Milt Socolar. So I would like him to add to what I have just said.

Mr. **Murtha**. Is there any question in your mind that the vast majority of these "deferrals" are impoundments by the Executive Branch and Congress intended these funds to be spent?

Mr. **Socolar**. There is no question they are impoundments. They are reported as impoundments. There are a number of interpretations that we have come to through the years. For example, in your illustration of a deferral, which is intended to be actually a rescission, what we have done in the past is to look at those deferrals, and if, it appears by the time the end of the fiscal year is approach-ing, that there will not be enough time to obligate those funds, we will convert that deferral at that time to a rescission.

We did a study in 1982 in connection with the hearings to which Mr. Bowsher referred. We studied lapsed appropriations to see if we could get a handle on the question of how much appropriation money was lapsing because of deferrals that weren't being presented as rescissions. We found at that time that it wasn't a serious problem. It may be that, as you suggest, with the increasing activity that is occurring now, we are going to have to look at it.

Mr. MURTHA. It seems to me, once Congress and the President have made a deal at the end of the fiscal year, GAO has an obligation to interpret a "deferral" that will, in fact, end a program as a rescission.

For instance, deferral D-86-8A for fossil energy research and development, page I-J8 of the budget appendix, pages 71-72 of the conference report for Public Law 99-190, is a case where deferral of a program, and this is MHD, is coupled with a proposed use of those funds for other purposes in fiscal year 1987. In this case, funds are only made available for this program until March 20th.

Today, MHD representatives came and testified before the Interior Committee. This program is in jeopardy of being shut down if we don't get a decision from GAO immediately.

It is outrageous that the GAO would not have the ability to render that decision immediately. Rather than just agreeing with the Administration's classification and not being able to convert them into rescissions, you should reject them, unless there is some good reason for not rejecting them.

For instance, we have programs that are in jeopardy of terminating here unless a decision is made. Skilled technical people are laid off, and you can't go back to those people in September and say "come back, we are going to start the program next fiscal year." They find jobs somewhere else.

Using deferrals as rescissions and requiring re-enactment of already passed appropriations is an absolutely unfair use of the procedure, and GAO is just not doing its job by allowing it.

Now, if your staff is overwhelmed I appreciate that problem, but encourage you to rule against these deferrals.

Mr. BOWSHER. I don't think we are overwhelmed. I think we can handle this work. I don't know how the impression developed that we can't handle this work.

REPORT ON EACH SPECIAL MESSAGE

Mr. SOCOLAR. We report on each special message the President sends down. Where these kinds of issues arise we report them. In some regards, it is necessary to await congressional action before we can take the next step.

But if—and I will check into this one when I get back to the office—in fact, a deferral is reported that truly is a rescission, we would report it as a rescission and reclassify it.

Mr. MURTHA. Let me read to you your own language. "We examine each such withholding on a case-by-case basis. In situations where the withholding is based on a determination by the President never to use the funds for their original purpose, we classify the withholding as a rescission." That defines every one of these fossil fuel rescissions.

So, if this is how you come up with a rescission, maybe you just have not gotten to it yet.

Mr. SOCOLAR. These are in the third special message of the President, and we are in the process of reviewing that message right now.

Mr. MURTHA. I am premature in my criticism?

Mr. SOCOLAR. We have taken out the one we gave to the Committee this morning and reported on that one specially. We have three similar ones.

Mr. MURTHA. We have to have this ruling by March 20th because of DOE's urgency to terminate budget authority. Can you get it to us by then?

Mr. SOCOLAR. I will see to it that we make every effort to do so.

Mr. MURTHA. People's jobs are on the line and whole programs are absolutely tied to your decision, and it is clear to me these deferrals are beyond the President's statutory authority and should be converted to rescissions.

GAO RESPONSIBILITIES

Mr. FAZIO. Before I yield to Mrs. Boggs and Mr. Myers, it seems to me that you are exercising a certain amount of discretion which we don't think exists in the law.

You were quoted as saying that you were persuaded the deferral presented Congress with different alternatives and considerations and "made sense to avoid a wasteful result."

What authority does the Comptroller General have to conclude anything other than the funds must be made available for obligation?

It is clear in some cases that the administration is taking action to avoid the responsibilities that the Congress has imposed on them in the appropriations process.

The law stipulates that the GAO, in order to assist the Congress in the exercise of its functions, should make certain reports and determinations.

It does not authorize GAO the responsibility to assist the executive in cancelling programs authorized by Congress.

Mr. SOCOLAR. I don't believe we are doing that. I think that to a large extent, a great deal of what occurs here depends on the good faith of those who are implementing the various mandates that come from the Congress.

For example, if a rescission is reported, and 45 days go by and no action is taken by the Congress, that money must be made available for expenditure.

It is thoroughly reasonable, it seems to us, that in the context of making those funds available, there might arise the necessity to figure out exactly where those funds should be spent.

During that time a deferral may be reported for that purpose, and the deferral may be for as brief a time as——

Mr. MURTHA. If the Chair will yield, I don't think GAO has that kind of authority.

Mr. **Socolar**. There is nothing in the act, as we interpret it that precludes after a rescission is reported, the appropriate and proper administration of the funds involved.

Mr. **Fazio**. That is the problem.

Mr. **Socolar**. Where we run into trouble is where the executive branch might well seek to play games.

Mr. **Fazio**. What about a deferral one year after another?

Mr. **Socolar**. That is precisely what we said here.

Mr. **Fazio**. They have been trying to do that, and on more than one occasion have succeeded.

Mr. **Murtha**. It seems to us when you get a deferral like this, which is substance in a rescission, there is no leeway. It seems to me a deferral should be used for deferring excess.

Obviously they are trying to implement a change in policy by absolutely ignoring the intent of the law, which they agreed to just a few months ago. That is what is so irritating about the damn thing.

Mr. **Socolar**. To the extent those appear in this third special message, as I said a moment ago, we will look at them and deal with them.

Mr. **Fazio**. Of course, you understand the problems the Congress is facing following the single-house veto decision. This has obviously become the way to thwart the intent of the law. It shifts the advantage into the executive branch, even though the Impoundment Act was designed to produce the opposite effect.

Mr. Myers.

GAO AUTHORITY TO MAKE DETERMINATIONS

Mr. **Myers**. I am concerned procedurally here. What authority do you have to singularly make these determinations? It seems to me you would only recommend to the Congress through the Appropriations Committee to take these actions.

How can you accept or not accept something except to make a recommendation under the law? From the testimony I hear here, you are making those determinations, and the Congress never sees it.

Under the statute as I interpret it, we have that final responsibility. You can say it is rescission or deferral, whichever it might be, but don't we have the final say so until we take action?

I disagree with you. I think they are doing something they shouldn't do. They are going too far instead of not far enough.

Mr. **Murtha**. When the Supreme Court ruled unconstitutional the one-house veto, obviously the deferral provision of the 1974 Budget Act is not severable from the one house veto. In my estimation, the Budget Act didn't allow them to do a deferral without a one-house veto. Congress has to repass the law, and the President has to sign it back into law to defeat a deferral under the Administration's interpretation.

If you read the rescission provision of the Budget Act, "under the rescission, whenever the President determines that all or part of any budget authority will not be required to carry out the full objective or scope of programs for which it is provided or that such budget authority should be rescinded for fiscal policy or other reasons, including the termination of authorized projects or activities for which a budget authority has been provided."

So, these deferrals are clearly a rescission. We made a deal at the end of the year; three months later we all argue back and forth the same FY 86 funding in Congress. Then we have to go to the executive branch and argue with them. They make an agreement, and three months later they send down what they consider a deferral.

For us to have to repass appropriations again certainly is not the intent of the law, and we think GAO should immediately act.

Mr. **Socolar**. I agree with that. I don't mean to suggest that I don't. In each of these special messages we are required under the act to provide to the Congress our own opinion as to the legal sufficiency of a deferral or a rescission.

Mr. **Myers**. If you will yield, it seems to me that the court decision, has legalized impoundments unless we get a chance to vote on it.

This is what we are not getting a chance to do today. You are legalizing impoundments through that decision.

Mr. **Fazio**. The veto power locked it in.

Mr. **Myers**. We have to vote on those deferrals.

Mr. **Murtha**. We are saying GAO should not use that discretion. They should rule Congress' intent in the Budget Act was that a deferral is entirely different from a rescission.

OVERRIDE ADMINISTRATION'S RECOMMENDATIONS

Mr. **Fazio**. Tell me how many times you have overridden the administration's recommendations in the current fiscal year?

Mr. **Socolar**. In the current fiscal year, I don't have that number. I think it is fairly early in the current fiscal year with regard to these recommendations.

Mr. **Fazio**. What percentage have you disagreed? I am looking for some track record here.

Mr. **Socolar**. I would like to supply those figures. When you ask me for a percentage like that, remember we are dealing with literally billions of dollars in impoundments, and most of them, except for whatever escalation may be taking place right now, are pro forma and go forward, so the percentage of disagreements won't be high.

Mr. **Fazio**. I am sure that is acceptable.

[Clerk's note.—The information was provided by GAO for the record:]

Thus far this fiscal year the President has reported 58 deferrals and proposed 77 rescissions in three special messages. The first two messages reported 31 deferrals. We found none of them to be improper. The third message reported 27 deferrals and proposed 77 rescissions. We have advised Congress of our views on only 5 items in the third message and found three of them to be improper—2 deferrals and 1 rescission—including a deferral involving the Strategic Petroleum Reserve construction account, which we found to be improper. We will shortly advise the Congress of our views on the remaining items in the third message.

PROCEDURES FOR REVIEWING RESCISSIONS

Mr. **Bowsher**. We haven't changed our procedure here. We have been doing this for many, many years. There is no question there might be some court challenges here as to authority.

Mr. **Myers**. There has been already.

Mr. **Bowsher**. There might be additional ones.

Mr. **Myers**. Gramm-Rudman has brought a challenge, too.

Mr. **Bowsher**. As you are aware, Mr. Morrison and some of the people have brought their impoundment case, and this one on which we issued a letter today might end up in the courts.

So we are not sure, but we have been playing a certain role for the last decade, and we haven't changed that.

Mr. **Murtha**. If you will yield, the administration has used these impoundments in what we consider an improper way.

Mr. **Bowsher**. That is what has happened over the past 5 or 10 years. Occasionally, the administration decides to use this method more. That is why we are probably here now.

We will try to get it sorted out. One thing I can guarantee you is that, we will use enough staff to do the job.

Mr. **Fazio**. If I could intervene, one of the problems is that the Members of the Congress who have, the jurisdiction in these areas, and the legislative staff people are not getting equal time.

We have not had an opportunity in every case to rebut and exchange views, or to present our point of view Mr. Socolar.

You are not hearing from those who have been critical today and on prior occasions.

Mr. **Socolar**. What we might be seeing, as I suggested a moment ago, is an escalation of things. In the past we have had good communications with individual members who have raised questions.

Sometimes we have agreed, sometimes we have not, but we have had good communication with regard to the ultimate position that we have arrived at.

Mr. **Fazio**. The communication is breaking down and we want to highlight it today so we can restore and improve it.

STATUTORY AUTHORITY

Mr. **Myers**. I question the statutory authority that you have other than advisory to the final decision of Congress. You have been exercising it unquestioned up until now, but the lower court's decision that two sections of Gramm-Rudman are unconstitutional would apply here.

I would like to have the statutory basis of the authority you are exercising, namely making final determinations rather than having the final say so by elected members of Congress.

That is why I objected to Gramm-Rudman. It seems to me like the statute gives you advisory power and not final decision power. That is what I am questioning here.

Ms. **Boggs**. It gives them the authority and responsibility to report incorrect characterization of rescissions as deferrals to Congress.

Mr. **Myers**. I think the back door of the court has said they agree through this decision that they do have referral, or at least an advisory role, but not final decision. I hate to get hung out here with what you are talking about here, Jack.

Mr. SOCOLAR. I understand what you are saying, Mr. Myers. What I would like to do on that issue is to submit a paper on precisely how this operates and where we are, and if we need to talk about it more we can.

Mr. MURTHA. The whole process could break down here because we make an agreement, and if this deferral, as the administration is now interpreting it could go through, they can make any kind of agreement they want and come back up with a deferral next year to impound the agreed to funding.

We would have to repass the appropriation all over again. It is unacceptable that we would have to go through this process.

Mr. FAZIO. Let me point out to you, I am sure many of the people in this room are aware of the $9.8 billion appropriated of which $9 billion was rescinded or deferred.

At the same time we are chastised for failure to comply with the budget resolution promise of a 3 percent increase in defense for the next fiscal year.

That situation doesn't maintain a cooperative spirit when the promises just signed into law are not kept.

FUND TRANSFERS

Another problem exists in deferrals with funds transferred to some other areas.

This has been evident in the Energy and Water Subcommittee on two succeeding years. It takes a great deal of time for us to decide whether we want to ratify that change. The 45-day clock runs out before we have the chance to take action. It then becomes less relevant because the deferral has had the effect of a rescission.

Mr. MURTHA. You are killing our programs.

Mr. MYERS. That is our fault. We should vote on rescissions and deferrals.

Mr. FAZIO. There is a need for a cooperative spirit that doesn't always exist.

There are divisions in the rank. The executive has their way due to flaws in the process.

In fact, they are changing the design of the operation. To summarize the GAO must upgrade the consideration of these disputes and change methods of operations to become more objective and less discretionary.

Mr. MYERS. That is what Gramm-Rudman tried to handle.

Mr. FAZIO. That law will be interpreted soon.

Mr. BOWSHER. We will try to be responsive here.

Mr. FAZIO. Mrs. Boggs.

Mrs. BOGGS. We referred earlier to some of the decisions that have developed today in the Interior Subcommittee, and in conjunction with that, I note that GAO has found only a portion of the deferral as far as the SPR is concerned, is an impoundment rather than the entire amount.

Could you please provide me with a copy of your letter to DOE in that regard?

Mr. BOWSHER. Sure.

[The letter follows:]

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

February 25, 1986

To the President of the Senate and the
Speaker of the House of Representatives

On February 5, 1986, the President's third special message for fiscal year 1986 was submitted to the Congress pursuant to the Impoundment Control Act of 1974. This letter is our report, as required by section 1014(b) of the Act, 2 U.S.C. § 685, on one deferral in that message, affecting budget authority for the Strategic Petroleum Reserve (SPR). We conclude, for the reasons given below, that of the $197.9 million deferred, the withholding of $156.8 million is not in accordance with existing statutory authority. We do not in this report question the deferral of the remaining $41,140,825 of budget authority. We are continuing to examine this deferral, and will advise you if we conclude that it, too, is impermissible under the Impoundment Control Act. We will report separately on the remainder of the third special message.

DEPARTMENT OF ENERGY

D86-37 Energy Programs
Strategic Petroleum Reserve
Amount Deferred: $197,940,825
89X0218

This deferral involves budget authority provided the Department of Energy (DOE) for the development, operation, and management of the SPR. This account was the subject of a deferral in fiscal year 1985. On February 6, 1985, the President announced a deferral of $270,738,000 in budget authority for the SPR (Deferral No. 85-31A). He explained that the deferred funds consisted of appropriations for the construction of crude oil storage facilities and resulted from his proposed indefinite moratorium on further development of the SPR. The President indicated that he would reassess the moratorium as fiscal and oil market conditions warrant.

In August 1985, however, the Congress passed and the President signed the Supplemental Appropriations Act for fiscal year 1985 expressly disapproving the deferral and directing that the funds be made available for obligation: "The Congress disapproves the proposed deferral D85-31A * * *. [T]he amount of the proposed deferral disapproved herein shall be made available for obligation." Pub. L. No. 99-88, 99 Stat. 293, 341 (1985).

The budget authority was made available shortly thereafter, and DOE issued an invitation for bids for SPR storage construction. DOE received bids on two contracts for the SPR's Big Hill storage site on December 13 and December 20, 1985. On December 27, DOE suspended award of these contracts. At the same time, DOE suspended receipt of bids scheduled for a third contract on January 21, 1986, delayed issuance of an invitation for bids for a contract for construction work at the Bayou Choctaw cavern, and directed its field office to terminate leaching activities at Bryan Mound and West Hackberry caverns. As a result, the funds have remained largely unobligated.

On February 5, 1986, the President reported the present deferral of $197,940,825 of budget authority for the SPR account. DOE has indicated that $156,800,000 of this amount is a redeferral of budget authority that was previously subject to the 1985 deferral proposal, D85-31A. As with his fiscal year 1985 deferral, D85-31A, the President reports in his February 5 special message that the pending deferral, D86-37, results from his proposed indefinite moratorium on further development of the SPR. The President states again, as he did in 1985, that he will reassess the moratorium as fiscal and oil market conditions warrant. In the meantime, he reports, the deferral will result in an indefinite curtailment of new storage facilities construction. He indicates that partially completed storage facilities will be mothballed, and completed facilities will be maintained in a state of standby operational readiness.

Section 1013(a) of the Impoundment Control Act of 1974 (the Act) (Pub. L. No. 93-344, 88 Stat. 332, 2 U.S.C. §§ 681, 684(a)) authorizes the President to defer budget authority until the end of the fiscal year in which the special message proposing the deferral is transmitted to the Congress. Deferred budget authority must be released for obligation earlier if either House of Congress passes an impoundment resolution disapproving the proposed deferral. The Act does not address the question of reimpoundment after a disapproval of an initial impoundment.

We have not interpreted the Act as absolutely prohibiting reimpoundments. We evaluate reimpoundments on a case-by-case basis. In some circumstances, we have not objected to the reimpoundment of funds that were the subject of an earlier disapproved impoundment. See, e.g., B-217736, April 12, 1985; B-208140, October 29, 1982.

Recently, for example, we concluded that funds which had been deferred without success could be redeferred in the next fiscal year, pending congressional action on a proposal then before the Congress to permit a transfer of both the redeferred funds and funds appropriated for the same purpose which had not been deferred, to other appropriation accounts. The redeferred funds were insufficient to complete the project for which they had been provided (building a tunnel). We were persuaded that the redeferral presented the Congress with different alternatives and considerations than the first deferral, and made sense to avoid a wasteful result: if the transfer were approved by the Congress, thus indicating its agreement that the tunnel should not be built, it would have made little sense to require the obligation of the redeferred funds toward the project. B-217736, supra.

In another instance, we concluded that funds which had been proposed for rescission without success could be deferred pending the agency's decision regarding the most sensible use of the funds. B-208140, supra. In that case, the reason for the later deferral was fundamentally different from the reason for the earlier rescission proposal, when the President in effect proposed never to use the funds for any activity.

In our view, the redeferral here of $156.8 million, unlike the reimpoundments in B-217736 and B-208140, does not result from any changed circumstances. In fact the reason given for the redeferral is the same reason which the Congress considered and rejected in August 1985. The President stated in both cases that the deferral resulted from his proposed indefinite moratorium on further development of the SPR, and that he would reassess his moratorium as fiscal and oil market conditions warrant.[1] As noted above, the Congress, after the first deferral, rejected this as a basis for withholding the SPR funds.

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[1] In explaining the present deferral, D86-37, the President also said, "These funds cannot effectively be used this year * * *." According to DOE officials, the only reason the funds cannot effectively be used this year is the President's indefinite moratorium. But for the moratorium, they said, the funds could be used.

In its report on the fiscal year 1985 Supplemental Appropriations bill, which disapproved deferral D85-31A, the House Committee on Appropriations stated, "The long lead times necessary to construct and fill capacity require attention be given to future, rather than current, needs." H.R. Rep. No. 142, 99th Cong., 1st Sess. 107 (1985). The Committee pointed out that as a result of the deferral, the country would have no flexibility to deal with a crisis, and stated its expectation that construction recommence and that DOE adhere as closely as possible to previous schedules. Id. The Senate Appropriations Committee agreed with the House: "By concurring with the House and overturning the deferral, the Committee expects construction to restart immediately and adhere, as much as possible, to previous schedules." S. Rep. No. 82, 99th Cong., 1st Sess. 152 (1985).

The President, with the redeferral, is presenting the Congress with no new alternative or considerations; rather, he is asking the Congress to reconsider that which it has already thoroughly considered and rejected. Under these circumstances, it would be inconsistent with the purposes of the Act to allow the President to reimpound funds that were the subject of the previous impoundment. Taken to the extreme, such an approach would permit the President to withhold the funds indefinitely. This approach would negate the requirements of sections 1012(b) and 1013(b) of the Act to make budget authority available for obligation. We cannot interpret the Act in a way that effectively invalidates the procedures and safeguards that were established by its enactment.

Accordingly, we conclude that the redeferral of $156.8 million is not permissible under the Act and that the funds must timely be made available for obligation. We are advising the Secretary of Energy of our conclusion. We will monitor this account to assure compliance with the requirements of the Act.

Charles A. Bowsher
Comptroller General
of the United States

RESCISSIONS VERSUS DEFERRALS

Mrs. **Boggs**. In the Energy and Water Appropriation Act, Public Law 99-141, there have been deferrals of specific legislative projects.

Among them is the deferral of funds appropriated for university laboratories. The Administration proposes to use these funds for other purposes in fiscal year 1987 rather than the purpose for which the funds were originally appropriated.

Doesn't this amount to a rescission rather than to a deferral?

Mr. **Socolar**. To the extent that the funds are going to be used if they are, indeed, properly transferred, there would not be an impoundment.

An impoundment consists of withholding budget authority and not spending the funds. It is not on a project-by-project basis.

But I think you are correct. There probably would need to be some approval of the transfer authority. And if the transfer approval were not forthcoming and the funds were still withheld, it would certainly, as far as we are concerned, smack of being a rescission.

We would want to look at that very, very carefully.

Mr. **Murtha**. That is the problem, because the project's budget authority expires on March 20th, according to DOE. For all intents and purposes, that eliminates the program.

Mr. **Fazio**. The timing of these messages from the executive is exceedingly important and not incidental.

We have a number of questions the Members of the Committee would like to submit for the record which require indepth responses. sponses.

[The questions and responses follow:]

Rescissions and Deferrals

OVERVIEW

The Impoundment Control Act of 1974 (Public Law 93-344) set out procedures to control the reservation or impoundment of budget authority by the executive branch. In the past, deferrals were used for administrative or "good government" reasons for funds not currently needed to carry out projects or activities for which budget authority was provided, and rescissions were used to terminate activities or unneeded budget authority.

Increasingly that is not the case. The deferral process is being used to cancel ongoing activities. In addition, because of the Supreme Court ruling on one-House vetoes, it is even more difficult for Congress to address such rescissions through the deferral process. We also find that the Executive proposes to redefer funds which Congress has made available by overturning a previous deferral.

What concerns many Members of Congress, from all committees, is the willingness of the General Accounting Office, which is supposed to assist the Congress in its review of this process, to allow the executive branch to circumvent the intent of the Impoundment Control Act and to thumb its nose at the Congress by cancelling programs through misuse of the deferral process. We do not believe GAO is doing its job properly.

GAO Responsibilities

Question. What is GAO's role in the impoundment process?

Response. Under the Impoundment Control Act, GAO has extensive responsibilities. One of GAO's principal functions under the Act is to review and report to the Congress on the impoundments reported by the President. With respect to rescissions and deferrals we are to report concerning the facts surrounding the withholding including the probable effects. For deferrals, we are to report, in addition, whether or not (or to what extent) the deferral is in accordance with existing statutory authority.

Under the Act, we report impoundments when the President has failed to report them as required. Also, when the President has reported an impoundment but we believe that what he classified as a rescission is really a deferral, or vice versa, we so report to the Congress, with our reasons for that belief.

Finally, we are authorized to bring suit to compel the release of funds when the Congress has expressly disapproved a deferral or the 45-day authorized withholding period for a rescission has expired, and the budget authority has not been made available for obligation.

Question. Doesn't the legislation, in section 1014(b), state explicitly that "In order to *assist the Congress* in the exercise of its functions . . ." that the Comptroller General shall make certain reports and determinations?

Does it say you are to assist the Executive in cancelling programs authorized by Congress?

Response. Section 1014(b) of the Act makes explicit that our reports on the President's impoundment messages are in order "to assist the Congress in the exercise of its functions under sections 1012 and 1013." Those functions are to decide whether or not to enact a rescission bill approving a rescission, or an impoundment resolution (by either House), disapproving a deferral. Our reports assist the Congress in those functions by providing a dispassionate and apolitical assessment of the facts and law. Nothing in the Act says we are to assist the Executive in cancelling programs authorized by the Congress—such behavior is unauthorized.

Question. Don't you have responsibility under section 1015(b) to report incorrect classification of rescissions as deferrals?

Response. As previously noted, we have responsibility to report to the Congress our reasons for believing that the President incorrectly classified a rescission as a deferral (or vice versa).

Question. Is the cancellation of an ongong project or activity a rescission or a deferral?

Response. Whether cancellation of an ongoing project or activity is a rescission or deferral depends on the facts. For example, deferral of part of a lump-sum appropriation may kill one or more programs funded by that appropriation. This is clearly not a rescission as long as the deferred funds will not expire as a consequence but will be used for some other purpose for which the appropriation is generally available. On the other hand, a deferral of funds for a line-item program, as a result of which it is reasonably certain that the program will not survive, can be a rescission. We so held this year in the case of Deferral D86-6A, discussed in response to a further question.

Question. Under section 1012(a), on rescissions, the law states that when the President determines that ". . . budget authority should be rescinded for fiscal policy or other reasons *(including the termination of authorized projects or activities for which budget authority has been provided* . . ." he shall transmit a rescission message to Congress.

Isn't cancellation a rescission according to the just quoted law?

Response. We agree that cancellation of a project for which a line item appropriation has been provided, if it will result in expiration of the funds, is a rescission. It is equally clear, however, that cancellation of a project, which does not result in expiration of the funds, is not a rescission.

The language of section 1012 which refers to "termination of authorized projects or activities" does not establish that termination of a program or activity is necessarily a rescission of the funds. Rather, termination is mentioned parenthetically as an example of a reason why the President thinks budget authority should be rescinded.

A rescission occurs when budget authority will be unused: if a cancellation will have that result, then a rescission should be reported and, if the President did not do so, we would. But if a cancellation merely results in budget authority being used for another authorized purpose, then no rescission occurs.

Question. Isn't cancellation the same whether it is in a rescission or a deferral message?

Response. Cancellation is the same whether it is in a rescission or a deferral message. However, for purposes of the Impoundment Control Act, the question is not whether a program is being cancelled or not, but whether budget authority is being withheld from obligation permanently (that is, to the point at which it will expire), in which case a rescission is occurring, or temporarily, in which case the effect is a deferral. Cancellation can lawfully accompany a deferral, if the funds are subsequently made available for some other authorized purpose.

Question. Isn't a cancellation in a deferral message an incorrect classification and therefore subject to a special report by the Comptroller General?

Response. As discussed in the answers to the preceding questions, whether cancellation in a deferral message is required to be reclassified as a rescission depends ultimately on whether the deferred funds will be made available for an authorized purpose before they would expire. Cancellation of a program always receives close scrutiny by GAO because it raises the possibility of a rescission, but it is not *per se* a rescission.

Question. Section 1013 states that a deferral may not be proposed for any period of time beyond the end of the fiscal year.

Doesn't that make clear that a deferral is a temporary measure, not meant to *permanently* affect programs?

Response. Section 1013 does not in our view limit deferrals to one fiscal year. Rather, it requires in effect, if multi-year budget authority is being deferred for more than one fiscal year, that a renewed deferral message be submitted in each fiscal year. However, we agree that a deferral, although it can be prolonged beyond one fiscal year, is ultimately a temporary measure.

Deferrals may be proposed for fiscal policy reasons and these reasons may have permanent effects on programs if the Congress does not disapprove the deferrals. For example, the President defers multi-year funds with the intent that they be applied to reduce the appropriation request for the same account in the next fiscal year. These deferrals may be associated with the termination or curtailment of existing programs funded by a lump-sum appropriation. If the Congress does not disapprove the deferral (or in effect acquiesces in the President's proposal by reducing the next year's appropriation as requested), the programmatic effect will be permanent.

Question. Based on the portions of the law we have just reviewed, why isn't it clear that programmatic terminations are rescissions?

Response. We agree that terminations of programs funded by line items necessarily entail rescissions. However, as discussed above, neither the wording nor the logic of the Impoundment Control Act supports the view that all programmatic terminations are rescissions. Termination of programs funded by part of a lump sum, as long as the funds are obligated for an authorized purpose, are not rescissions.

Question. Why isn't the clear congressional intent considered by GAO in its reviews?

Response. In carrying out its functions under the Impoundment Control Act, GAO considers congressional intent, both of the Act and of the programs which may be proposed for rescission or deferral. We understand the frustration felt by Members when a program, for which an appropriation was agreed upon with the Executive, is subject to impoundment, but the Impoundment Control Act permits that to happen and gives this Office no way to prevent it.

Question. Why does the GAO, an arm of the Congress, continually side with the Executive and allow impoundments that terminate programs without asking for rescissions?

Response. We have discussed already why we cannot under the law treat all terminations of programs as rescissions. More generally, GAO's role under the Impoundment Control Act is not, as we conceive it, to be an advocate for the Congress in a policy struggle with the Executive.

The "Congress" is not a unitary body; each House may have its own view, as may the parties, or committees or members within each House. What the Congress as a whole wants in any given case is often problematical at best. That in effect is why the Act provides mechanisms for the Congress to make its will known, by enacting an impoundment resolution (a one-House veto of a deferral), or by withholding its approval of a rescission.

GAO's role is to see that that will is carried out. We attempt to interpret the Impoundment Control Act with objectivity, and so that it achieves its intended purpose as a forum for the executive and legislative branches each to exercise a controlled degree of power over spending.

Examples of Termination of Existing Activities by Both Deferral and Rescission

Rescissions

Question. We would like to insert in the record rescissions numbered R86-29 for Indian Health programs and R86-30 for Indian Health facilities. Each of these rescissions eliminates programs.

The Indian health rescission terminates "Preventive Services and Urban Health Projects" and "Tribal health development activities".

Would you agree that that is a proper action for a proposed rescission?

The Indian health facilities rescission eliminates funding for construction of several hospitals, clinics, and quarters.

Would you agree that that is a proper action for a proposed rescission?

Responses. We agree. The Indian Health programs rescission, R86-29, is properly classified as such, not because it terminates programs, although it does indeed have that effect, but because the budget authority proposed for rescission would not have been obligated, had the rescission been approved.

Likewise the Indian health facilities rescission, R86-30, was intended to eliminate funding of certain projects, and not to use the budget authority for any other purpose. It was also correctly classified.

Deferrals of specific legislated projects

Question. We would like to place in the record deferral D86-38 for Energy supply, research, and development; page I-J4 of the budget appendix, and 99 STAT 572 of Public Law 99-141.

In this case, the deferral of several science projects spelled out in the Energy and Water Appropriations Act, Public Law 99-141, is coupled with the proposed use of those funds for another purpose in fiscal year 1987.

Would you agree that this proposal terminates the projects?

Response. Deferral No. D86-38 did contemplate termination of 5 projects for which budget authority had been legislatively earmarked. The message indicated that the President was proposing legislation to transfer the funds for these programs to other purposes. Whether this was a *de facto* rescission depended on whether the programs would be able to survive the delay in funding while the Congress considered the transfer. (See the discussion below of D86-6A.) If we had found, with reasonable certainty, that the programs would not survive and therefore that, even if the transfer request had been rejected, the budget authority would have expired, we would have reclassified the withholding as a rescission.

During our consideration of this issue, the Administration agreed to withdraw the deferral and submit it as a rescission. At the termination of the 45-day withholding period, the budget authority was made available for obligation.

Question. Would you agree that this is a proper action for a rescission?

Response. Termination of programs for which a line item appropriation has been enacted, if it results in the budget authority not being obligated for the original purpose, is a rescission. We do not know whether this deferral was in fact a rescission when proposed because, the Administration having reclassified the deferral, it was not necessary for us to make the factual determination of whether the budget authority could have been used for the original purpose after the deferral. However, we agree that the conversion of this deferral to a rescission by the Administration was an appropriate characterization, upon the President's determination that he did not intend to use the budget authority for any purpose.

Question. There is no intent to use the funds for their intended purpose. Isn't that a rescission action?

Response. Where there is no intent to use the funds for their intended purpose, and as a result the funds will expire, a rescission should be reported. It is seldom clear that there is no intent ever to use deferred funds for their intended purpose. In the case of deferrals pending legislative transfer such as D86-38, for example, the President is saying in effect:

> "I intend to defer these funds while the Congress considers my request for legislation to make them available for some other purpose. Should the Congress reject this request, I intend to make the funds available for the intended purpose."

Without evidence that the President's message is not true, we do not believe we can fairly say in such cases that there is "no intent" to use the funds for their intended purpose: there clearly is such an intent to do so as soon as a particular event, well within the realm of probability (congressional rejection of the transfer proposal) takes place.

However, regardless of intent, we will treat as a rescission a withholding of line item budget authority, when we find with reasonable certainty that the program will not survive the hiatus in funding, even if the funds are later made available.

Question. Doesn't this action have the effect of extending rescission review time from 45 days to at least 8 months, since an appropriations bill rejecting the contemplated new use of funds won't be signed until October?

Response. If this deferral had not already been converted by the Administration to a rescission proposal and we had found it (D86-38) to be a rescission in fact, we would have so reported. We would then have sought the release of the funds after the expiration of the statutory 45-day period.

On the other hand, many legitimate deferrals pending legislative transfer, as a result of which programs not the subject of line item appropriations are terminated, may today extend for many months, until Congress enacts a bill disapproving them. This, however, is not the consequence of these deferrals being misclassified. Rather, it is because doubts about the constitutionality of the one-House veto, as a consequence of the Supreme Court decision in the Chadha case, have apparently deterred the Congress from using that quick method of attempting to terminate deferrals.

Question. If the alternate use of funds were rejected, couldn't the Administration propose another use by legislation and defer the funds indefinitely?

Response. As a general rule, we assume the Administration has submitted its best proposed alternate uses of the funds with the initial deferral, and we would regard the Congress' rejection of that proposal as indicative of its desire that the funds be spent for the original purpose. Accordingly, a redeferral merely to propose another alternative use would ordinarily be an unauthorized reimpoundment.

Question. We would like to place in the record deferral D86-6A for fossil energy research and development; page I-J8 of the budget appendix, and pages 71 and 72 of the Conference Report for Public Law 99-190.

This is another case of the deferral of a program (magnetohydrodynamics-MHD) spelled out in the Continuing Resolution coupled with the proposed use of those funds for other purposes in fiscal year 1987.

In this case, funds are only made available for this ongoing program until March 20, according to Department of Energy documentation. At that point, March 20, the program will be terminated. Termination costs are included in funds not deferred.

The program stops, contracts stop, personnel get fired, all on March 20. Is that a deferral or a rescission?

Response. We agree that the withholding of MHD funds was improperly reported as a deferral. We have reported to the Congress our conclusion that it is in fact a rescission and that the 45-day withholding period will end on May 30, 1986. GAO/OGC-86-9, April 8, 1986.

We found that the effect of the proposed deferral would, with reasonable certainty, be that the funds would never be used for the intended purpose. The funds had been appropriated for MHD as a line item, so they could be used for no other purpose. Under these circumstances, we held in effect that the likelihood that the funds would expire makes this withholding a rescission. The basis for this characterization was not that the MHD program would be terminated as a result of the deferral. Rather, it was that because of the likely termination of the program and the lack of legal authority to use the budget authority for any other purpose, the termination would result in a rescission, *i.e.* a failure to obligate budget authority.

Question. The program is terminated by deferral, while giving Congress less time to respond than would a rescission proposal. Do you believe that that is consistent with congressional intent?

Response. As discussed previously, we believe this withholding should have been reported as a rescission.

Question. In this deferral, in addition to this project, several other ongoing activities are proposed for termination by March 20.

Even though they are not in the legislation per se, they are in all the report documentation, and are still terminated by deferral, again without even the 45 legislative day notice period.

Can you tell the people laid off because of this action that it is only a deferral?

Response. Generally, the layoffs which may result from termination of a program are not directly the result of a deferral. Rather, they are the result of the decision to terminate, which may or may not be accompanied by a deferral.

The activities being terminated as a consequence of deferral No. D86-6A (other than MHD) are, as you point out, not the subject of line item appropriations. Accordingly, the Administration is free to terminate them without proposing either a rescission or a deferral, as long as it is willing to use the funds for some other authorized purpose.

Redeferral

Question. We would like to place in the record deferral D86-37 for the Strategic Petroleum Reserve; deferral D85-31A for the Strategic Petroleum Reserve; and 99 STAT 341 from Public Law 99-88.

This is a most onerous case. In the fiscal year 1986 budget process the Executive proposed a deferral of some $270 million for construction of oil capacity for the Strategic Petroleum Reserve. Congress rejected that deferral in Public Law 99-88. Deferral D86-37 defers, according to Department of Energy documents, some $157 million of the same funds. Documentation also shows that the Department cancelled procurements to use those funds well before submitting a deferral and did little to utilize the funds made available August 15, 1985.

What is your interpretation of the Executive's actions?

Response. The Executive's actions, in proposing to defer again the same budget authority for essentially the same reasons, when an earlier disapproval had been legislatively disapproved, constituted an unauthorized reimpoundment of funds. Because this was budget authority the deferral of which had been disapproved by the Congress, a refusal to make it available for obligation was a violation of section 1013(b) of the ICA. We so reported to the Congress on February 25 (GAO/OGC-86-5).

Accordingly, GAO began action under section 1016 to compel release of the improperly withheld funds by sending the requisite 25-day notice to the Congress of our intent to file suit. The funds were ultimately released by the Administration before we had initiated the next step in the enforcement process, filing suit.

Question. How does this action meet the conditions of section 1013(b) which requires that funds from an overturned deferral be made available for obligation?

Response. As discussed earlier, the reimpoundment of the SPR funds after express legislative disapproval was a violation of section 1013(b). GAO took action to compel compliance with the law.

Question. If this deferral is allowed to occur, what is to prevent the Executive from deferring any multiyear funds it wants to, for as long as it wants?

Response. This deferral was not allowed to occur.

Question. Isn't this really a rescission starting no later than the day that procurements were cancelled in this account and mothballing actions began?

Response. Because the funds for the SPR were required by section 1013(b) to be made available, this was a withholding unauthorized under the Impoundment Control Act, either as a rescission or a deferral.

While it might have been possible to attempt to characterize the SPR withholding in terms of whether it constituted an unreported recission, it would have been difficult and unproductive to do so. The difficulty arises because, to hold that the withholding of SPR funds was a rescission, we would have had to make a factual finding that the President's statement, that the funds would remain available for the program and would in future be released should energy supply conditions change, was untrue and that in fact the budget authority was intended never to be obligated.

Moreover, treating this situation as an unreported rescission would have been unproductive because it would have introduced further delay. Our report of an unreported rescission would have triggered the statutory period of 45 legislative days during which the President would have been authorized to withhold the funds. Only at the end of that 45 days could we have begun enforcement action. By treating this as an unauthorized withholding of funds required by section 1013(b) to be released, we were able to secure the release of the funds without that 45-day delay.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

Indian health

Of the funds made available under this head in Public Law 99-190, $24,262,000 are rescinded.

RECAP

The Members are deeply concerned that GAO is not providing a balanced review of deferral by the Executive, and is allowing the appropriations process to be subverted by a willing Executive.

[CLERK'S NOTE.—GAO submitted the following information concerning rescissions and deferrals to be included in the record:]

Document Inserted	*Page*
Rescission No. R86-29 $24,262,000 of Indian Health Service funds, Department of Health and Human Services	537
Rescission No. R86-30 $38,642,000 of Indian Health Facilities funds, Department of Health and Human Services	540
Deferral No. D86-38 $65,763,000 of Energy Supply, Research and Development funds, Department of Energy	543
Pages I-J4 to I-J7, Appendix to the Budget for Fiscal Year 1987 Department of Energy budget request for Energy Supply, Research and Development Activities	545
99 STAT 572 (Pub. Law 99-141), Energy and Water Development Appropriation Act, 1986. Appropriates funds for Energy Supply, Research and Development Activities	549
Deferral No. D86-6A Supplemental deferral of $55,565,000 to D86-6, which proposed deferral of $9,247,000 of Fossial Energy Research and Development funds, Department of Energy	550
Pages I-J8 to I-J10, Appendix to the Budget for Fiscal Year 1987 Department of Energy budget request for Fossil Energy Research and Development Activities	553
Pages 71 and 72 of the Conference Report on H.J. Res. 465, Further Continuing Appropriations Act (Pub. Law 99-190). Explains the conference agreement for funds on Fossil Energy Research and Development	556
Deferral No. D86-37 $197,940,825 of Strategic Petroleum Reserve funds, Department of Energy	558
Deferral No. D85-31A Increased D85-31 from $400,540 to $270,738,000 of funds for the Strategic Petroleum Reserve, Department of Energy	559
99 STAT 341 (Pub. Law 99-88) Congressional disapproval of Deferral No. D85-31A	562

Rescission Proposal No: R86-29

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Section 1012 of P.L. 93-344

AGENCY:
Department of Health and Human Services

Bureau: Health Resources and Services Administration

Appropriation title and symbol:

Indian health

7560390

OMB identification code:

75-0390-0-1-551

Grant program: ☐ Yes ☒ No

Type of account or fund:

☒ Annual

☐ Multiple-year ______ (expiration date)

☐ No-Year

New budget authority..... $818,194,000
(P.L. 99-190)

Other budgetary resources 54,985,000

Total budgetary resources $873,179,000

Amount proposed for rescission $ 24,262,000

Legal authority (in addition to sec. 1012):

☐ Antideficiency Act

☐ Other ______

Type of budget authority:

☒ Appropriation

☐ Contract authority

☐ Other ______

Justification: This program provides medical care, public health services, and health profession scholarships for American Indians and Alaska Natives. These savings are being proposed for rescission from appropriations realized in excess of the 1986 President's Budget Request to achieve the goals of the Balanced Budget and Emergency Deficit Control Act of 1985. Reductions are proposed for the following items (in thousands of dollars):

Clinical services..................................	9,265
Preventive services................................	11,085
Urban health projects..............................	2,444
Tribal management..................................	1,468
	24,262

Estimated Program Effect: Clinical Services - Reduces funding for direct and contract health care. The reduction may be offset by increased third-party reimbursements and by better negotiated contract care rates.

Preventive Services and Urban Health Projects - Funds are available for the continued operation of Community health representative program through March 1986 and the orderly phase out of operations during April 1986.

R86-29

Tribal Management - Eliminates support for the Tribal health development activities.

Outlay Effect (in thousands of dollars):

1986 Outlay Estimate		Outlay Savings					
Without Rescission	With Rescission	1986	1987	1988	1989	1990	1991
760,097	743,352	16,745	5,520	1,422	575	---	---

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

Indian health facilities

Of the funds made available under this head in Public Law 99-190, $38,642,000 are rescinded.

Rescission Proposal: R86-30

PROPOSED RESCISSION OF BUDGET AUTHORITY
Report Pursuant to Section 1012 of P.L. 93-344

AGENCY: Department of Health and Human Services	**New budget authority.....** $46,947,000 (P.L. 99-190)
Bureau: Health Resources and Services Administration	**Other budgetary resources** 38,356,455
Appropriation title and symbol: Indian health facilities 75X0391	**Total budgetary resources** $85,303,455 **Amount proposed for rescission** $38,642,000
OMB identification code: 75-0391-0-1-551	**Legal authority** (in addition to sec. 1012): ☐ Antideficiency Act ☐ Other________________
Grant program: ☐ Yes ☒ No	
Type of account or fund: ☐ Annual ☐ Multiple-year ________ (expiration date) ☒ No-Year	**Type of budget authority:** ☒ Appropriation ☐ Contract authority ☐ Other________________

Justification: This program funds construction, major repair, improvement, and equipment for health and related auxiliary facilities, including quarters for personnel; preparation of plans, specifications, and drawings; acquisition of sites; purchase and erection of portable buildings, purchases of trailers and provision of domestic and community sanitation facilities for Indians, as authorized by section 7 of the Act of August 5, 1954 (42 U.S.C. 2004a), the Indian Self-Determination Act and the Indian Health Care Improvement Act. These savings are being proposed for rescission from appropriations realized in excess of the 1986 President's Budget request to achieve the goals of the Balanced Budget and Emergency Deficit Control Act of 1985. Reductions are proposed for the following items (in thousands of dollars):

Hospitals:	
New and replacement	12,262
Modernization and repair	639
Subtotal	12,901
Outpatient care	715
Sanitation facilities	19,456
Personnel quarters	5,570
Total	38,642

Estimated Program Effect: Prior year unobligated balances of $38 million are available in 1986 for current projects.

Eliminates funding for construction in 1986 for Rosebud, SD hospital and quarters at Kanakanak, AK and Ft. Thompson, SD.

Eliminates funding for planning and design in 1986 of Kotzebue, AK hospital and outpatient clinics located in Toppenish, WA and Wagner, S.D.

Eliminates funding for provision of sanitation facilities to 2,200 Indian homes in 1986, but funding for sanitation facilities will be provided to 700 Indian homes in 1986.

Eliminates funding for renovating quarters located in Sacaton, AZ.

Outlay Effect (in thousands of dollars):

1986 Outlay Estimate		Outlay Savings					
Without Rescission	With Rescission	1986	1987	1988	1989	1990	1991
77,297	65,523	11,774	16,492	5,281	5,095	---	---

Deferral No: D86-38

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

AGENCY: Department of Energy	New budget authority..... $1,772,271,000 (P.L. 99-141)
Bureau: Energy Programs	Other budgetary resources 629,565,559
Appropriation title and symbol: Energy supply, research and development 1/ 89X0224	Total budgetary resources $2,401,836,559 Amount to be deferred: Part of year $ Entire year $ 65,763,000
OMB identification code: 89-0224-0-1-271 Grant program: ☐ Yes ☒ No	Legal authority (in addition to sec. 1013): ☐ Antideficiency Act ☐ Other
Type of account or fund: ☐ Annual ☐ Multiple-year (expiration date) ☒ No-Year	Type of budget authority: ☒ Appropriation ☐ Contract authority ☐ Other

Justification: The purpose of Energy supply research and development activities is to: (1) Support long-term research and development on a mix of technologies that have the potential to provide adequate supplies of energy at reasonable cost, and (2) fund other research programs which provide significant benefits to the Government and the public. The deferral consists of (in thousands of dollars):

University construction projects (Center for Science and Technology, Advanced Science Center, Energy and Mineral Research Center, Center for Energy and Biomedical Technology, Demonstration Center for Information Technologies, and the National Center for Chemical Research)........	$38,489
Solar and renewables research........	23,351
In-house energy management projects........	3,923
Total........	$65,763

The university projects are deferred because during this period of budgetary restraint, funding for these lower priority activities can better be used to finance the 1987 appropriation request. Specific appropriation language is proposed in the 1987 budget to reprogram these funds. The solar and renewables research and development activities are deferred because they are inconsistent with Administration Energy research and development policy or of lower priority, particularly in times of tight fiscal restraint. The funds for in-house energy management projects are in excess of current program requirements. These funds will be reprogrammed to defray costs in the Technical Information Management program in 1987.

Estimated Program Effect: Funding for lower priority projects will be reduced or terminated.

Outlay Effect (in thousands of dollars):

1986 Outlay Estimate		Outlay Savings					
Without Deferral	With Deferral	1986	1987	1988	1989	1990	1991
1,898,172	1,853,498	-44,674	33,128	2,003	9,543	---	---

1/ This account was the subject of a deferral in 1986 (D85-70).

General and special funds—Continued

GENERAL SCIENCE AND RESEARCH ACTIVITIES—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES

(INCLUDING TRANSFER OF FUNDS)

For expenses of the Department of Energy activities including the purchase, construction and acquisition of plant and capital equipment and other expenses incidental thereto necessary for energy supply, research and development activities, and other activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; purchase of passenger motor vehicles (not to exceed [17] *18* for replacement only), [$1,989,671,000] *$1,254,162*, to remain available until expended [of which $200,000,000]; *in addition, $584,158,000* shall be derived by transfer from Uranium Supply and Enrichment Activities provided in prior years[, and of which $17,400,000 shall be derived by transfer from Operation and Maintenance, Southeastern Power Administration; and of which $25,000,000 shall be available only for construction of]: *Provided, That funds available under this head in Public Law 99-141 for* the Advanced Science Center, the Center for Science and Technology, the Center for Energy and Biomedical Technology, the Energy and Mineral Research Center, and the Demonstration Center for Information Technologies [as described in the report accompanying this Act; together with not to exceed $6,000,000, to be derived from revenues from activities of the Technical Information Services, which shall be credited to this account and used for necessary expenses and shall remain available until expended], *shall be available for other expenses of energy supply, research and development activities. (Public Law 99-141, making appropriations for energy and water development, 1986.)*

Program and Financing (in thousands of dollars)

Identification code 89-0224-0-1-271		1985 actual	1986 est.	1987 est.
	Program by activities:			
	Direct program:			
00.01	Solar energy tech base and renewable energy	246,077	230,028	106,441
00.02	Nuclear fission	612,905	641,374	581,810
00.03	Environmental safety and health	39,789	42,156	76,098
00.04	Biological and environmental research	187,277	188,134	196,565
00.05	Spill test facility	4,183	1,915	1,200
00.06	Magnetic fusion	429,489	380,294	333,000
00.07	Supporting research and technical analysis	443,674	474,788	465,245
00.08	Multiprogram facilities	38,623	42,127	60,190
00.09	Small business initiative research program	24,729	14	
00.10	In-house energy management	14,673	20,259	16,500
00.11	Technical information services	13,133	10,374	10,775
00.12	Policy and management	5,923	5,610	3,837
00.91	Total direct obligations	2,060,473	2,037,074	1,851,661
01.01	Reimbursable program	267,348	350,000	320,000
10.00	Total obligations	2,327,821	2,387,074	2,171,661
	Financing:			
11.00	Offsetting collections from: Federal funds	−267,348	−350,000	−320,000
17.00	Recovery of prior year obligations	−17,000	−17,000	−17,000
21.40	Unobligated balance available, start of year	−125,092	−93,940	−63,537
22.40	Unobligated balance transferred, net	−44,129	−217,400	−584,158
24.40	Unobligated balance available, end of year	93,940	63,537	143,294
40.00	Budget authority (appropriation)	1,968,192	1,772,271	1,254,162
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	2,060,473	2,037,074	1,851,661
72.40	Obligated balance, start of year	1,269,611	1,219,379	1,347,165
73.40	Obligated balance transferred, net	12,217		
74.40	Obligated balance, end of year	−1,219,379	−1,347,165	−1,324,929
78.00	Adjustments in unexpired accounts	−17,000	−17,000	−17,000
90.00	Outlays	2,105,922	1,892,288	1,856,897

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]

	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	1,968,192	1,772,271	1,254,162
Outlays	2,105,922	1,892,288	1,856,897
Reduction pursuant to P.L. 99-177:			
Budget authority		−76,208	
Outlays		−38,790	−37,418
Total:			
Budget authority	1,968,192	1,696,063	1,254,162
Outlays	2,105,922	1,853,498	1,819,479

Status of Direct Loans (in thousands of dollars)

Identification code 89-0224-0-1-271		1985 actual	1986 est.	1987 est.
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	2,601	2,101	1,601
1251	Repayments: Repayments and prepayments	−300	−300	−300
1262	Adjustments: Write-offs for default	−200	−200	−200
1290	Outstanding, end of year	2,101	1,601	1,101

The purpose of energy supply, research and development is to develop new energy technologies and improve existing energy technologies. Included in this mission are basic and applied research, with selected technology development.

This account provides funds for operating expenses, capital equipment and construction projects for the research and technological development of the various energy technologies under examination in the energy supply, research and development mission.

Solar and renewable energy.—The solar and renewable programs support research and development that will strengthen the technology base on which industry can draw in developing future new products and processes for the commercial market. The programs support activities ranging from basic research in universities and national laboratories to applied R&D and proof-of-concept projects in industrial firms.

Reductions in the renewable energy R&D programs are proposed in the 1987 budget consistent with budgetary constraints. In addition, a new innovative cooperative R&D approach will be carefully reviewed and expressions of interest will be solicited from the industry. Partnerships with industry cooperative R&D ventures to support longer-term high-risk applied technology development of generic or precompetitive nature can offer an effective method to increase leverage of Federal moneys and increase program impact. This is intended to promote more effective technology transfer and to allow broader research support within current fiscal constraints.

Solar energy technology.—The 1987 solar energy program will support generic and long-range research in a wide variety of alternative energy technologies, structured to provide a sound base from which industry can draw particular applications. The major areas being investigated, as in past years, are moderate and high-temperature solar heat, photovoltaics, biofuels, wind, and solar building technologies. The main research topics being pursued at universities and national laboratories within these application areas are materials sciences, aerodynamic/fluid-dynamic modeling, and thermodynamic cycles. Industry will be involved in applied research in these areas. In addition, funds are provided for technology transfer and international cooperative activities, generic resource assessments, and capital improvements at the Solar Energy Research Institute.

Hydropower and geothermal technology.—The 1987 geothermal and hydropower programs will support basic engineering research in hydrothermal and magma energy extraction technologies for geothermal energy and technical information and technology transfer regarding small-scale hydro. The program effort will also include research on geothermal resources such as engineering development in geopressured and hot dry rock resources.

Energy storage and distribution.—The 1987 electric energy systems program will support basic engineering work in EMP effects and new materials for efficient electrical power transmission, biomedical research on the effects of electric fields, utility reliability, and automation studies. The 1987 energy storage program will continue its generic research into electrochemistry for a variety of battery types, and in thermal and hydrogen chemical energy storage. The battery work includes research in electrochemical materials, sodium/sulphur battery development and metal-air cells.

Nuclear fission.—Major portions of the nuclear fission R&D program were consolidated and restructured to phase down the Advanced Reactor and Breeder Reactor programs and to shift efforts to meet space and military nuclear power requirements. Thus, the restructured program will serve national security interests while maintaining a technical and industrial base for any future decision to deploy advanced nuclear technologies in the commercial sector. The Advanced Light Water program will continue to work toward regulatory reform and plant standardization and, through cooperative programs with industry, toward breakthroughs in LWR safety and economic performance. The space and defense advanced nuclear power systems program will continue development work on space power system for use in U.S. space missions and in support of the Strategic Defense Initiatives Office and other military applications.

The remedial actions program includes efforts to treat or stabilize radioactive wastes and perform required decontamination and decommissioning at contaminated DOE and legislatively dictated non-government facilities and sites. The major program areas are the Formerly Utilized Sites Remedial Action program, the Grand Junction Remedial Action program, the Uranium Mill Tailings Remedial Action program for inactive uranium mill tailings sites, the Surplus Facilities program for DOE contaminated facilities declared surplus and resulting principally from civilian nuclear energy programs, such as decommissioning the Shippingport reactor, and the West Valley Demonstration project, which will demonstrate the solidification of high-level radioactive waste.

Environment, safety and health.—1987 will be the first full year of consolidation of oversight responsibilities for environment, safety, and health functions under the Assistant Secretary for Environment, Safety and Health. These functions constitute independent assurance of environmental protection, safety and health protection throughout the Department. In 1987 an Environmental Survey of DOE facilities will be conducted to identify existing areas of environmental risk and prioritize and plan corrective actions. Technical Safety Appraisals of DOE's high- and moderate-hazard nuclear facilities will determine compliance with safety requirements, industry lessons learned, and licensed facility requirements, as appropriate. In addition to these primary activities, this program will perform Departmental coordination on environmental compliance issues; analyze environmental policy issues; maintain radiological emergency response resources; perform quality assurance activities; continue operational safety and health protection functions; and conduct National Environmental Policy Act (NEPA) assurance functions.

Biological and environmental research.—This program develops and conducts health and environmental research in areas related to energy technologies and supports the development of new medical applications of radiation for the treatment of human disease. Planned 1987 activities include programs in atmospheric processes as they relate to acid rain and carbon dioxide climatic effects; terrestrial and oceanographic processes; molecular, cellular and systemic studies on the biological effects of radiation, including radon emissions; nuclear medicine, structural biology, molecular epidemiology, and long-term biotechnology related projects.

Spill test facility.—The overall goal is to conduct user-sponsored spill tests in support of safety research associated with the handling, shipping and storage of liquefied gaseous fuels and other hazardous fluids. The 1987 efforts will be directed to assuring program continuity and facility responsiveness to user sponsored testing activities.

Magnetic fusion.—The goal of this program is to establish the scientific and technological base required for fusion energy. The 1987 budget request has been developed to take advantage of the technical position that has already been established in fusion research. It will allow a continuation of cost-effective progress toward the development of fusion power as a future energy option and supports effective utilization of international collaboration. The program emphasis is focused on the nearer-term benefits of increasing the understanding of plasma physics and other related scientific fields as well as the training of scientists and engineers. The longer-term program goal of fusion energy continues to

General and special funds—Continued

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

be pursued but at a pace more consistent with our national energy needs.

Supporting research and technical analysis.—The role of these programs is to expand the scientific and engineering base for future energy technology development and to provide independent objective evaluations of energy research activities. Support is also provided for university related research and manpower training including the use of facilities at the national laboratories for student research and education.

Basic energy sciences.—This program funds basic research in the physical, biological, and engineering sciences in support of both the nuclear and non-nuclear technology programs. The principal focus of the program is energy; however, a number of other important national goals are also supported including U.S. leadership in science and technology and the training of scientists and engineers. In 1987, work will continue in materials sciences, chemical sciences, nuclear sciences, advanced energy projects, biological energy research, and research in engineering systems, applied mathematics, and the geosciences. Research related to advanced materials development, combustion, chemistry of coal, catalysts, photochemistry, nondestructive evaluation techniques and support for existing as well as proposed new unique national user research facilities will be continued. In 1987, the construction of the Center for Advanced Materials at Lawrence Berkeley Laboratory, the upgrade of the National Synchrotron Light Source at Brookhaven National Laboratory, and the enhancement to the Stanford Synchrotron Radiation Laboratory at the Stanford Linear Accelerator Center will continue. In addition, construction funds are provided for general plant projects, accelerator improvements and modifications, the ion collision physics facility at Kansas State University, Neutron Scattering Experimental Hall at Los Alamos National Laboratory, and the 1-2 GeV Synchrotron at Lawrence Berkeley Laboratory.

University research instrumentation.—This program supports the purchase of state-of-the-art scientific instrumentation used in energy-related research areas such as geological sciences, materials characterization, catalysis, and health effects research.

University research support.—This program helps maintain strong scientific/technical research capabilities in support of the Department's long-range energy R&D mission in the university and private sector and the national laboratories. Specific activities supported include: university reactor fuel assistance; university laboratory cooperative research; energy manpower development; and related education and training activities.

Energy research analysis.—This activity involves the independent assessment of existing or proposed technological initiatives, including examination of the base of research that underlies energy supply and utilization technologies.

Multiprogram energy laboratories facilities support.—The goal of the multiprogram facilities program is to provide funds for rehabilitating and replacing deficient common-use utilities, roads, and buildings at the multiprogram laboratories and to provide support for environmental compliance activities at Oak Ridge National Laboratory. Following the completion of a major scoping study of environmental problems at ORNL in 1986, the environmental compliance program will fund several major environmental projects in 1987. These can be expected to correct deficiencies in the following categories: process waste systems, hazardous and toxic material management, and watershed and storm sewer discharge projects.

In-house energy management.—This program funds energy conservation retrofit projects at Department facilities. These projects are designed to improve the efficiency of DOE energy use and set an example for other Federal agencies and the private sector. Surveys are conducted to identify cost-effective candidate projects and projects are then selected on a competitive basis using as the primary criterion the greatest economic return.

Technical information/management program.—This program contributes to DOE's missions in advancing energy and nuclear defense technologies and protecting U.S. economic and military security through the effective management and control of the Department's scientific and technical knowledge which is contained in its information resources. Major objectives which are structured to meet the overall purpose are the effective management, control, and use of the results of DOE's multibillion dollar research program, and the acquisition and management of results of worldwide investment in energy R&D.

Plant engineering and design.—This program identifies and supports through the advanced funding of Architect-Engineering (A-E) services those proposed construction projects considered critical to timely accomplishment of energy activities. A-E services permit designated non-defense projects to proceed from conception.

Policy and management.—Provides executive direction, management assistance and administrative support to all programs within energy supply activities.

Object Classification (in thousands of dollars)

Identification code 89-0224-0-1-271		1985 actual	1986 estimate	1987 estimate
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	39,336	44,394	38,215
11.3	Other than full-time permanent	1,108	1,418	1,448
11.5	Other personnel compensation	863	1,240	1,413
11.9	Total personnel compensation	41,307	47,052	41,076
12.1	Personnel benefits: Civilian	4,696	5,494	4,774
21.0	Travel and transportation of persons	2,923	3,556	3,168
23.2	Rental payments to others	365	385	410
24.0	Printing and reproduction	285	290	315
25.0	Other services	1,818,944	1,797,014	1,615,538
26.0	Supplies and materials	125	125	130
31.0	Equipment	82,378	94,197	94,305
32.0	Lands and structures	99,450	78,961	81,945
41.0	Grants, subsidies, and contributions	10,000	10,000	10,000
99.0	Subtotal, direct obligations	2,060,473	2,037,074	1,851,661

99.0 Reimbursable obligations	267,348	350,000	320,000
99.9 Total obligations	2,327,821	2,387,074	2,171,661

Personnel Summary

Total number of full-time permanent positions	842	863	851
Total compensable workyears:			
Full-time equivalent employment	945	930	900
Full-time equivalent of overtime and holiday hours	8	10	10

Reduction Pursuant to Public Law 99–177

Program and Financing (in thousands of dollars)

Identification code 89–0224–6–1–271	1985 actual	1986 est.	1987 est.
10.00 Total obligations		−76,208	
Financing:			
11.00 Offsetting collections from: Federal funds			
17.00 Recovery of prior year obligations			
21.40 Unobligated balance available, start of year			
22.40 Unobligated balance transferred, net			
24.40 Unobligated balance available, end of year			
40.00 **Budget authority (appropriation)**		−76,208	
Relation of obligations to outlays:			
71.00 Obligations incurred, net		−76,208	
72.40 Obligated balance, start of year			−37,418
73.40 Obligated balance transferred, net			
74.40 Obligated balance, end of year		37,418	
77.00 Adjustments in expired accounts			
78.00 Adjustments in unexpired accounts			
90.00 Outlays		−38,790	−37,418

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177).

URANIUM SUPPLY AND ENRICHMENT ACTIVITIES

[For expenses of the Department of Energy in connection with operating expenses; the purchase, construction, and acquisition of plant and capital equipment and other expenses incidental thereto necessary for uranium supply and enrichment activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; purchase of passenger motor vehicles (not to exceed 34 for replacement only); $1,612,700,000, to remain available until expended: *Provided*, That revenues received by the Department for the enrichment of uranium and estimated to total $1,612,700,000 in fiscal year 1986, shall be retained and used for the specific purpose of offsetting costs incurred by the Department in providing uranium enrichment service activities as authorized by section 201 of Public Law 95–238, notwithstanding the provisions of section 3302(b) of 31 U.S.C. 484: *Provided further*, That the sum herein appropriated shall be reduced as uranium enrichment revenues are received during fiscal year 1986 so as to result in a final fiscal year 1986 appropriation estimated at not more than $0.]

As authorized by section 111(h) of Public Law 93–438, as amended, revenues received from the enrichment of uranium shall be credited to this account, to remain available until expended, and to be used for expenses of energy activities in connection with operating expenses, the purchase, construction and acquisition of plant and capital equipment and other expenses incidental thereto necessary for uranium supply and enrichment activities in carrying out the purposes of Public Law 95–91, or successor legislation, including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; purchase of passenger motor vehicles (not to exceed 33 for replacement only): Provided, That obligations thus incurred may not exceed $1,051,400,000: Provided further, That within these limits, obligations may be incurred in advance of uranium enrichment revenues and shall be liquidated from such collections: Provided further, That of the revenues credited to this account, $235,000,000 shall be transferred to the general fund of the Treasury in partial repayment of Government investment in uranium supply and enrichment activities. (Public Law 99–141, making appropriations for energy and water development, 1986.)

Program and Financing (in thousands of dollars)

Identification code 89–0226–0–1–271	1985 actual	1986 est.	1987 est.
Program by activities:			
00.01 Operating expenses	1,295,966	1,149,070	1,036,100
01.01 Capital investment	383,177	54,186	15,300
10.00 Total obligations	1,679,143	1,203,256	1,051,400
Financing:			
Offsetting collections from:			
11.00 Federal funds			−208,500
14.00 Non-Federal sources			−1,077,900
17.00 Recovery of prior year obligations	−159	−168,863	
21.40 Unobligated balance available, start of year	−336,095	−221,003	−584,310
22.40 Unobligated balance transferred, net	85,000	215,000	584,158
24.40 Unobligated balance available, end of year	221,003	584,310	152
27.00 Capital transfer to general fund			235,000
39.00 **Budget authority**	1,648,892	1,612,700	
Budget authority:			
40.00 Appropriation (indefinite)	239,364	252,100	
40.00 Appropriation (indefinite, special fund)	1,410,936	1,360,600	
41.00 Transferred to other accounts	−1,408		
43.00 **Appropriation (adjusted)**	1,648,892	1,612,700	
Relation of obligations to outlays:			
71.00 Obligations incurred, net	1,679,143	1,203,256	−235,000
72.40 Obligated balance, start of year	891,177	859,047	628,440
74.40 Obligated balance, end of year	−859,047	−628,440	−628,440
78.00 Adjustments in unexpired accounts	−159	−168,863	
90.00 Outlays	1,711,113	1,265,000	−235,000

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]

	1985 actual	*1986 estimate*	*1987 estimate*
Enacted/requested:			
Budget authority	1,648,892	1,612,700	
Outlays	1,711,113	1,265,000	−235,000
Reduction pursuant to Public Law 99–177:			
Budget authority		−61,391	
Outlays			
Total:			
Budget authority	1,648,892	1,551,309	
Outlays	1,711,113	1,265,000	−235,000

Uranium enrichment operating expenses.—The goal of this program is to meet domestic, foreign and United States Government requirements for uranium enrichment services (enrichment of uranium and uranium compounds in the isotope U–235) in the most economical, reliable, safe, secure and environmentally acceptable manner possible. This program is comprised of four subprograms: (a) gaseous diffusion operations and support; (b) Atomic Vapor Laser Isotope Separation (AVLIS); (c) Gas Centrifuge progam closeout activities; and; (d) program direction.

The gaseous diffusion operations and support program provides for all activities related to operation and maintenance of the gaseous diffusion enrichment plants located at Paducah, Kentucky, and Portsmouth, Ohio.

(f) Funds that are not necessary to carry out the activities to be financed by the fund, as determined by the Secretary, shall be covered into miscellaneous receipts of the Treasury.

TITLE III—DEPARTMENT OF ENERGY

Energy Supply, Research and Development Activities

(including transfer of funds)

42 USC 7101 note.

For expenses of the Department of Energy activities including the purchase, construction and acquisition of plant and capital equipment and other expenses incidental thereto necessary for energy supply, research and development activities, and other activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; purchase of passenger motor vehicles (not to exceed 17 for replacement only), $1,989,671,000, to remain available until expended of which $200,000,000 shall be derived by transfer from Uranium Supply and Enrichment Activities provided in prior years, and of which $17,400,000 shall be derived by transfer from Operation and Maintenance, Southeastern Power Administration; and of which $25,000,000 shall be available only for construction of the Advanced Science Center, the Center for Science and Technology, the Center for Energy and Biomedical Technology, the Energy and Mineral Research Center, and the Demonstration Center for Information Technologies as described in the report accompanying this Act; together with not to exceed $6,000,000, to be derived from revenues from activities of the Technical Information Services, which shall be credited to this account and used for necessary expenses and shall remain available until expended.

Uranium Supply and Enrichment Activities

For expenses of the Department of Energy in connection with operating expenses; the purchase, construction, and acquisition of plant and capital equipment and other expenses incidental thereto necessary for uranium supply and enrichment activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; purchase of passenger motor vehicles (not to exceed 34 for replacement only); $1,612,700,000, to remain available until expended: *Provided*, That revenues received by the Department for the enrichment of uranium and estimated to total $1,612,700,000 in fiscal year 1986, shall be retained and used for the specific purpose of offsetting costs incurred by the Department in providing uranium enrichment service activities as authorized by section 201 of Public Law 95-238, notwithstanding the provisions of section 3302(b) of 31 U.S.C. 484: *Provided further*, That the sum herein appropriated shall be reduced as uranium enrichment revenues are received during fiscal year 1986 so as to result in a final fiscal year 1986 appropriation estimated at not more than $0.

42 USC 5821.

D86-6A

Supplementary Report

Report Pursuant to Section 1014(c) of Public Law 93-344

This report updates Deferral No. D86-6 transmitted to Congress on October 1, 1985.

This increases by $55,565,000 the previous deferral of $9,247,000 in the Department of Energy's Fossil energy research and development account, resulting in a total deferral of $64,812,000. The increase results from funds related to projects and activities that are inconsistent with the Administration's policy of longer term higher risk research in Fossil energy.

Deferral No: D86-6A

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

AGENCY: Department of Energy	P.L. 99-190 *310,971,000 New budget authority..... $ 15,000,000 (P.L. 98-146)
Bureau: Energy Programs	Other budgetary resources *56,899,015
Appropriation title and symbol: Fossil energy research and development 1/ 89X0213	Total budgetary resources *382,870,015
	Amount to be deferred: Part of year $______ Entire year *64,812,000
OMB identification code: 89-0213-0-1-271	**Legal authority** (in addition to sec. 1013): ☐ Antideficiency Act ☐ Other______
Grant program: ☐ Yes ☒ No	
Type of account or fund: ☐ Annual ☐ Multiple-year ______ (expiration date) ☒ No-Year	**Type of budget authority:** ☒ Appropriation ☐ Contract authority ☐ Other______

Justification: *This account funds research and development activities in coal, petroleum and unconventional gas. The deferral consists primarily of funds appropriated in the 1986 budget that are commercially-oriented and inconsistent with Administration research and development policy, as well as unobligated balances not required, the 1985 reduction of Fossil energy consulting services per Section 515 of the Treasury, Postal Service, and General Government Appropriations Act, 1985, and recoveries of prior year obligations. Of the deferred amount, $62,205,000 is related to projects and activities which are inconsistent with the Administration's policy of longer term higher risk research in Fossil energy. They are also inconsistent with efforts to reduce the Federal deficit. The balance of the deferred amount, $2,607,000, is unnecessary to the accomplishment of the Fossil energy program. All funds are being deferred through 1986 and will be applied to offset 1987 appropriation requirements.

Estimated Program Effect: None

Outlay Effect (in thousands of dollars):

1986 Outlay Estimate		Outlay Changes					
Without Deferral	With Deferral	1986	1987	1988	1989	1990	1991
322,389	302,945	-19,444	-12,962	19,444	12,962	---	---

1/ This account was the subject of a similar deferral (D85-27A) and rescission proposals in 1985 (R85-84 and R85-85).

* Revised from previous report.

General and special funds—Continued

URANIUM SUPPLY AND ENRICHMENT ACTIVITIES—Continued

The gaseous diffusion plant at Oak Ridge will be maintained in a standby condition.

The AVLIS program provides for the development of a laser-based enrichment process. In 1987, the Department will take steps to transfer the responsibility for further development of AVLIS to the private sector.

The gas centrifuge closeout program provides for closeout of the advanced gas centrifuge enrichment process and for the termination of the Gas Centrifuge Enrichment Plant located at Portsmouth, Ohio.

In 1987, the Uranium Enrichment program will repay the Treasury $235,000,000 for prior Government investment in this activity.

Object Classification (in thousands of dollars)

Identification code 89-0226-0-1-271		1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent	2,926	3,314	3,218
11.3	Other than full-time permanent	6	....	....
11.5	Other personnel compensation	129	10	174
11.9	Total personnel compensation	3,061	3,324	3,392
12.1	Personnel benefits: Civilian	319	372	381
13.0	Benefits for former personnel	44	....	....
21.0	Travel and transportation of persons	552	705	710
25.0	Other services	1,291,974	1,144,669	1,031,617
26.0	Supplies and materials	16	....	....
31.0	Equipment	19,437	29,918	1,900
32.0	Lands and structures	[illegible]	24,268	14,300
99.9	Total obligations	1,679,143	1,203,256	1,051,400

Personnel Summary

	1985 actual	1986 est.	1987 est.
Total number of full-time permanent positions	69	69	67
Total compensable workyears:			
Full-time equivalent employment	69	69	67
Full-time equivalent of overtime and holiday hours	2	2	2

Reduction Pursuant to Public Law 99–177

Program and Financing (in thousands of dollars)

Identification code 89-0226-6-1-271		1985 actual	1986 est.	1987 est.
	Program by activities:			
10.00	Total obligations	....	....	....
	Financing:			
21.40	Unobligated balance available, start of year	....	....	61,391
24.40	Unobligated balance available, end of year	....	−61,391	−61,391
40.00	Budget authority (appropriation)	....	−61,391	....
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	....	....	....
90.00	Outlays	....	....	....

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses in carrying out fossil energy research and development activities, under the authority of the Department of Energy Organization Act (Public Law 95–91), including the acquisition of interest, including defeasible and equitable interests in any real property or any facility or for plant or facility acquisition or expansion, [$312,848,000] *$82,767,000*, to remain available until expended, of which [$535,000] *$221,000* is for the functions of the Office of the Federal Inspector for the Alaska Natural Gas Transportation System established pursuant to the authority of Public Law 94–586 (90 Stat. 2908–2909), and [$8,230,000 to be derived by transfer from unobligated balances in the "Fossil energy construction" account, $2,010,000 to be derived by transfer from the account entitled "Alternative fuels production", of which $200,000 is derived from Public Law 98–146 for a wood pellet gasifier facility, and $2,775,000] *in addition, $437,000* to be derived by transfer from amounts derived from fees for guarantees of obligations collected pursuant to section 19 of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended (42 U.S.C. 5919), and deposited in the "Energy security reserve" established by Public Law 96–126: *Provided*, That no part of the sum herein made available shall be used for the field testing of nuclear explosives in the recovery of oil and gas: *Provided further*, That notwithstanding any other provision of law, funds [appropriated] *available* under this head in Public Law [97–394 for a Western Hemisphere alternative fuels facility feasibility study, which remain unobligated,] *99–190 for implementation of the June 1984 multiyear, cost-shared magneto-hydrodynamics program* shall be available for carrying out any fossil energy research and development activities[: *Provided further*, That $15,000,000 of the sum provided under this heading shall be available for demonstration of the Kilngas coal gasification process, with the provision that the United States Treasury shall be repaid up to double the total Federal expenditure for such process from proceeds to the participants from the commercial sale, lease, manufacture, or use of such process].

[Of the funds herein provided, $29,000,000 is for implementation of the June, 1984 multiyear, cost-shared magneto-hydrodynamics program targeted on proof-of-concept testing: *Provided further*, That 10 per centum private sector cash or in-kind contributions shall be required for obligations incurred in fiscal year 1986, 20 per centum private sector cash or in-kind contributions shall be required for obligations in fiscal year 1987, and for each subsequent fiscal year's obligations private sector contributions shall increase by 5 per centum over the life of the proof-of-concept plan: *Provided further*, That existing facilities, equipment, and supplies, or previously expended research or development funds are not cost-sharing for the purposes of this appropriation, except as amortized, depreciated, or expensed in normal business practice: *Provided further*, That cost-sharing shall not be required for the costs of constructing or operating government-owned facilities or for the costs of Government organizations, National Laboratories, or universities and such costs shall not be used in calculating the required percentage for private sector contributions: *Provided further*, That private sector contribution percentages need not be met on each contract but must be met in total for each fiscal year.] *(Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99–190.)*

Program and Financing (in thousands of dollars)

Identification code 89-0213-0-1-271		1985 actual	1986 est.	1987 est.
	Program by activities:			
00.01	Coal	242,760	221,464	82,227
00.02	Oil, gas, and shale R&D	42,336	[illegible]	27,642
00.03	Program direction and management support	52,153	65,581	40,000
00.04	Federal inspector for the Alaska natural gas pipeline	−136	532	221
19.00	Total obligations	337,122	325,865	150,090
	Financing:			
17.00	Recovery of prior year obligations	−8,507	−6,000	....
21.40	Unobligated balance available, start of year	−86,619	−56,904	−68,595
22.40	Unobligated balance transferred, net	−11,300	−4,785	−437
24.40	Unobligated balance available, end of year	56,904	68,595	1,700

25.00	Unobligated balance lapsing	1,537		
35.00	**Budget authority**	289,048	325,971	82,767
	Budget authority:			
	Current authority:			
40.00	Appropriation	276,348	312,848	82,767
41.00	Transferred to other accounts	−2,300	−1,877	
43.00	**Appropriation (adjusted)**	274,048	310,971	82,767
	Permanent authority:			
60.00	**Appropriation**	15,000	15,000	
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	337,122	325,065	150,090
72.40	Obligated balance, start of year	270,868	262,183	274,098
74.40	Obligated balance, end of year	−262,183	−274,098	−245,290
78.00	Adjustments in unexpired accounts	−8,597	−6,000	
90.00	Outlays	337,210	307,150	178,898

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

[In thousands of dollars]

	1985 actual	1986 estimate	1987 estimate
Enacted/requested:			
Budget authority	289,048	325,971	82,767
Outlays	337,210	307,150	178,898
Reduction pursuant to P.L. 99–177:			
Budget authority		−14,017	
Outlays		−4,205	−9,812
Total:			
Budget authority	289,048	311,954	82,767
Outlays	337,210	302,945	169,086

The Fossil Energy programs support research and development that will strengthen the technology base on which industry can draw in developing future new products and processes for the commercial market. The programs support activities ranging from basic research in universities and national laboratories to applied R&D and proof-of-concept projects in industrial firms.

Reductions in the Fossil Energy R&D programs are proposed in the 1987 budget to eliminate Federal support of company-specific technology development and demonstration activities. The remaining funds are divided into two types of programs: technology base research conducted in the same manner as it has been at universities and national laboratories, and partnerships with industry cooperative R&D ventures to support longer-term high-risk applied technology development of a generic or pre-competitive nature. This is intended to promote more effective technology transfer and to allow broader research support within current fiscal constraints.

In 1987 the Fossil Energy program plans to initiate a new mechanism for conducting applied research R&D—cooperative venture R&D pools. This new delivery system should provide for increased cost sharing with industry as well as encouraging potential beneficiaries of the research to become direct participants from project inception.

Coal technology base.—The objectives of this program will be to continue generic, technology base and environmental research to provide an adequate scientific and engineering knowledge base to foster technological advances by the private sector. The 1987 research program provides for a continued, limited Federal role in support of longer-term high-risk R&D that generally supports technology development by the private sector. The majority of this work will be conducted through the Advanced Research and Technology Development program, with additional activity in the advanced research components of the Coal Liquefaction and Surface Gasification programs. Direct technology base funding is also provided for Control Technology and Coal Preparation coal chemistry and waste management research.

Petroleum, gas and shale.—The 1987 program supports research on the recovery of tar sands and light and heavy oils, fundamental chemistry of oil shale processes, environmental mitigation, the Arctic and offshore program and enhanced gas recovery.

Some activities funded in this category will be part of a cooperative venture R&D pool, particularly those associated with extraction technologies.

Program direction and management support.—This provides the funding for both Headquarters and field personnel and overhead expenses in Fossil Energy. In addition, it provides support for the day-to-day project management functions.

Federal Inspector for the Alaska natural gas pipeline.—Activities formerly included under the Office of the Federal Inspector for the Alaska natural gas pipeline are now funded in this line item, in accordance with the 1986 appropriation.

Object Classification (in thousands of dollars)

Identification code 89–0213–0–1–271		1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent	26,685	28,124	23,044
11.3	Other than full-time permanent	584		
11.5	Other personnel compensation	752	777	641
11.8	Special personal services payments	24	26	21
11.9	Total personnel compensation	28,045	28,927	23,706
12.1	Personnel benefits: Civilian	3,265	3,434	2,812
13.0	Benefits for former personnel	89	55	46
21.0	Travel and transportation of persons	1,695	1,753	1,444
22.0	Transportation of things	42	26	21
23.2	Rental payments to others	1,102	887	733
24.0	Printing and reproduction	450	472	308
25.0	Other services	285,725	267,340	111,888
26.0	Supplies and materials	2,262	2,387	1,970
31.0	Equipment	2,095	6,864	
32.0	Lands and structures	4,150	4,237	
41.0	Grants, subsidies, and contributions	8,199	8,683	7,162
43.0	Interest and dividends	3		
99.9	Total obligations	337,122	325,065	150,090

Personnel Summary

Total number of full-time permanent positions	683	711	533
Total compensable workyears:			
Full-time equivalent employment	726	711	542
Full-time equivalent of overtime and holiday hours	12	12	10

Reduction Pursuant to Public Law 99–177

Program and Financing (in thousands of dollars)

Identification code 89–0213–6–1–271		1985 actual	1986 est.	1987 est.
	Program by activities:			
10.00	Total obligations		−14,017	
	Financing:			
40.00	Budget authority (appropriation)		−14,017	
	Relation of obligations to outlays:			
71.00	Obligations incurred, net		−14,017	
72.40	Obligated balance, start of year			−9,812

General and special funds—Continued

FOSSIL ENERGY RESEARCH AND DEVELOPMENT—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in thousands of dollars)—Continued

Identification code 89-0213-6-1-271	1985 actual	1986 est.	1987 est.
74.40 Obligated balance, end of year	....	9,812	....
90.00 Outlays	....	–4,205	–9,812

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177).

NAVAL PETROLEUM AND OIL SHALE RESERVES

For necessary expenses in carrying out naval petroleum and oil shale reserves activities, including the purchase of not to exceed [3] *1* passenger motor [vehicles] *vehicle*, for replacement only, [$13,668,000] *$127,108,000*, to remain available until expended: *Provided, That section 160 of the Energy Policy and Conservation Act (Public Law 94–163, as amended) is amended (1) by striking out subsection (d); (2) by striking the phrase "subsections (c) and (d)" in each place where it occurs in subsection (e) and inserting in lieu thereof "subsection (c)", and (3) by redesignating subsection (e) as subsection (d). (Public Law 94–163, as amended). (Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99–190.)*

Program and Financing (in thousands of dollars)

Identification code 89-0219-0-1-271	1985 actual	1986 est.	1987 est.
Program by activities:			
10.00 Total obligations	93,576	170,216	163,569
Financing:			
17.00 Recovery of prior year obligations	–8,014	....	....
21.40 Unobligated balance available, start of year	–140,351	–209,000	–52,370
22.40 Unobligated balance transferred, net	2,500	....	....
24.40 Unobligated balance available, end of year	209,000	52,370	15,909
25.00 Unobligated balance lapsing	163	....	....
39.00 Budget authority	156,874	13,586	127,108
Budget authority:			
40.00 Appropriation	156,874	13,668	127,108
40.00 Reduction pursuant to P.L. 99–190	....	–82	....
43.00 Appropriation (adjusted)	156,874	13,586	127,108
Relation of obligations to outlays:			
71.00 Obligations incurred, net	93,576	170,216	163,569
72.40 Obligated balance, start of year	130,751	63,010	68,826
74.40 Obligated balance, end of year	–63,010	–68,826	–66,095
78.00 Adjustments in unexpired accounts	–8,014	....	....
90.00 Outlays	153,303	164,400	166,300

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(In thousands of dollars)

	1985 actual	*1986 estimate*	*1987 estimate*
Enacted/requested:			
Budget authority	156,874	13,586	127,108
Outlays	153,303	164,400	166,300
Reduction pursuant to P.L. 99–177:			
Budget authority	....	–584	....
Outlays	....	–421	–163
Proposed for later transmittal under proposed legislation:			
Budget authority	....	....	–78,785
Outlays	....	....	–80,150
Total:			
Budget authority	156,874	13,002	48,323
Outlays	153,303	163,979	85,987

This program includes those activities necessary to operate, explore, conserve, develop, and produce the naval petroleum reserves at the maximum efficient rate and to conserve the oil shale reserves. This includes routine operation and maintenance, development and exploration drilling, environmental and conservation work, and construction and installation of on-reserve facilities and related systems required for the collection, storage, and distribution of produced petroleum and related products. The budget proposes that the oilfields at Elk Hills, near Bakersfield, CA, and at Teapot Dome near Casper, WY, will be sold competitively, to the highest bidder and that proceeds from the sale be credited to the Treasury as miscellaneous receipts.

Object Classification (in thousands of dollars)

Identification code 89-0219-0-1-271	1985 actual	1986 est.	1987 est.
Personnel compensation:			
11.1 Full-time permanent	3,616	3,666	3,440
11.3 Other than full-time permanent	76	40	36
11.5 Other personnel compensation	71	116	115
11.8 Special personal services payments	551	540	540
11.9 Total personnel compensation	4,314	4,362	4,131
12.1 Personnel benefits: Civilian	442	404	425
13.0 Benefits for former personnel	7	....	....
21.0 Travel and transportation of persons	211	214	221
22.0 Transportation of things	14	34	21
23.2 Rental payments to others	10	10	10
23.3 Communications, utilities, and miscellaneous charges	29	87	83
24.0 Printing and reproduction	1	1	4
25.0 Other services	88,258	165,061	158,618
26.0 Supplies and materials	85	43	56
31.0 Equipment	86	....	....
41.0 Grants, subsidies, and contributions	119	....	....
99.9 Total obligations	93,576	170,216	163,569

Personnel Summary

	1985 actual	1986 est.	1987 est.
Total number of full-time permanent positions	101	102	91
Total compensable workyears:			
Full-time equivalent employment	104	105	95
Full-time equivalent of overtime and holiday hours	1	1	1

Reduction Pursuant to Public Law 99–177

Program and Financing (in thousands of dollars)

Identification code 89-0219-6-1-271	1985 actual	1986 est.	1987 est.
Program by activities:			
10.00 Total obligations	....	–584	....
Financing:			
40.00 Budget authority (appropriation)	....	–584	....
Relation of obligations to outlays:			
71.00 Obligations incurred, net	....	–584	....
72.40 Obligated balance, start of year	....	....	–163
74.40 Obligated balance, end of year	....	163	....
90.00 Outlays	....	–421	–163

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177).

further, That revenues or royalties from prospective operation of projects beyond the time considered in the award of financial assistance, or proceeds from prospective sale of the assets of the project, or revenues or royalties from replication of technology in future projects or plants are not cost-sharing for the purposes of this appropriation: Provided further, That other appropriated Federal funds are not cost-sharing for the purposes of this appropriation: Provided further, That existing facilities, equipment, and supplies, or previously expended research or development funds are not cost-sharing for the purposes of this appropriation, except as amortized, depreciated, or expensed in normal business practice.

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses in carrying out fossil energy research and development activities, under the authority of the Department of Energy Organization Act (Public Law 95-91), including the acquisition of interest, including defeasible and equitable interests in any real property or any facility or for plant or facility acquisition or expansion, $312,848,000, to remain available until expended, of which $535,000 is for the functions of the Office of the Federal Inspector for the Alaska Natural Gas Transportation System established pursuant to the authority of Public Law 94-586 (90 Stat. 2908-2909), and $8,230,000 to be derived by transfer from unobligated balances in the "Fossil energy construction" account, $2,010,000 to be derived by transfer from the account entitled "Alternative fuels production", of which $200,000 is derived from Public Law 98-146 for a wood pellet gasifier facility, and $2,775,000 to be derived by transfer from amounts derived from fees for guarantees of obligations collected pursuant to section 19 of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended (42 U.S.C. 5919), and deposited in the "Energy security reserve" established by Public Law 96-126: Provided, That no part of the sum herein made available shall be used for the field testing of nuclear explosives in the recovery of oil and gas: Provided further, That notwithstanding any other provision of law, funds appropriated under this head in Public Law 97-394 for a Western Hemisphere alternative fuels facility feasibility study, which remain unobligated, shall be available for carrying out any fossil energy research and development activities: Provided further, That $15,000,000 of the sum provided under this heading shall be available for demonstration of the Kilngas coal gasification process, with the provision that the United States Treasury shall be repaid up to double the total Federal expenditure for such process from proceeds to the participants from the commercial sale, lease, manufacture, or use of such process.

Of the funds herein provided, $29,000,000 is for implementation of the June, 1984 multiyear, cost-shared magnetohydrodynamics program targeted on proof-of-concept testing: Provided further, That 10 per centum private sector cash or in-kind contributions shall be required for obligations incurred in fiscal year 1986, 20 per centum private sector cash or in-kind contributions shall be required for obligations in fiscal year 1987, and for each subsequent fiscal year's *obligations private sector contributions shall increase by 5 per centum over the life of the proof-of-concept plan: Provided further, That existing facilities, equipment, and supplies, or previously expended research or development funds are not cost-sharing for the purposes of this appropriation, except as amortized, depreciated, or expensed in normal business practice: Provided further, That cost-sharing shall not be required for the costs of constructing or operating government-owned facilities or for the costs of Government organizations, National Laboratories, or universities and such costs shall not be used in calculating the required percentage for private sector contributions: Provided further, That private sector contribution percentages need not be met on each contract but must be met in total for each fiscal year.*

NAVAL PETROLEUM AND OIL SHALE RESERVES

For necessary expenses in carrying out naval petroleum and oil shale reserves activities, including the purchase of not to exceed 3 passenger motor vehicles, for replacement only, $13,668,000, to remain available until expended.

ENERGY CONSERVATION

For necessary expenses in carrying out energy conservation activities, $449,418,000, to remain available until expended: Provided, That pursuant to section 111(b)(1)(B) of the Energy Reorganization Act of 1974, as amended, 42 U.S.C. 5821(b)(1)(B), of the amount appropriated under this head, $10,319,000 shall be available for a grant for basic industry research facilities located at Northwestern University without section 111(b)(2) of such Act being applicable: Provided further, That section 404 of Public Law 98–558 shall not be effective in any fiscal year in which the amount made available for low income weatherization assistance from appropriations under this head is less than 5 per centum above the amount made available in fiscal year 1985: Provided further, That $7,500,000 of the amount provided under this heading shall be available for a research and development initiative with the National Laboratories for new technologies up to proof-of-concept testing to increase significantly the energy efficiency of processes that produce steel: Provided further, That obligation of funds for these activities shall be contingent on an agreement to provide cash or in-kind contributions to the initiative or to other collaborative research and development activities related to the purpose of the initiative equal to 30 percent of the amount of Federal government obligations: Provided further, That existing facilities, equipment, and supplies, or previously expended research or development funds are not acceptable as contributions for the purposes of this appropriation, except as amortized, depreciated, or expensed in normal business practice: Provided further, That the total Federal expenditure under this proviso shall be repaid up to one and one-half times from the proceeds of the commercial sale, lease, manufacture, or use of technologies developed under this proviso, at a rate of one-fourth of all net proceeds.

Deferral No: D86-37

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

AGENCY: Department of Energy Bureau: Energy Programs Appropriation title and symbol: Strategic Petroleum Reserve 1/ 89X0218	New budget authority..... $112,364,742 (P.L. 99-190) Other budgetary resources 302,204,083 Total budgetary resources 414,568,825 Amount to be deferred: Part of year $______ Entire year 197,940,825
OMB identification code: 89-0218-0-1-274 Grant program: ☐ Yes ☒ No	Legal authority (in addition to sec. 1013): ☒ Antideficiency Act ☐ Other______
Type of account or fund: ☐ Annual ☐ Multiple-year ______ (expiration date) ☒ No-Year	Type of budget authority: ☒ Appropriation ☐ Contract authority ☐ Other______

Justification: Funds appropriated to this account are for the development, operation and management of the Strategic Petroleum Reserve (SPR). The deferral consists primarily of prior year appropriations for crude oil storage facilities construction and results from a proposed indefinite moratorium on further development of the SPR after December 1985. This moratorium will be reassessed as fiscal and oil market conditions warrant. These funds cannot be effectively used this year and will be used to offset part of the 1987 appropriation request. This action is taken pursuant to the Antideficiency Act (31 U.S.C. 1512).

Estimated Program Effect: This deferral will result in an indefinite curtailment of new storage facilities construction. The partially completed storage facilities will be secured and maintained in a mothballed condition and all completed facilities will be maintained in a state of standby operational readiness in the event of a possible drawdown.

Outlay Effect: None

1/ This account was the subject of a similar deferral in 1985 (D85-31A).

D85-31A

SUPPLEMENTARY REPORT

Report pursuant to Section 1014(c) of P.L. 93-344

This report updates Deferral No. D85-31 transmitted to the Congress on November 29, 1984.

This revision to a deferral of funds for the Strategic Petroleum Reserve in the Department of Energy increases the amount previously reported as deferred from $400,540 to $270,738,000. This net increase of $270,337,460 results from a proposed indefinite moratorium on further development of the Strategic Petroleum Reserve after 1985.

Deferral No: *D85-31A

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

AGENCY: Department of Energy	New budget authority..... $______ (P.L.______)
Bureau: Energy Programs	Other budgetary resources *529,047,839
Appropriation title and symbol: Strategic Petroleum Reserve 1/ 89X0218	Total budgetary resources *529,047,839
	Amount to be deferred: Part of year $______ Entire year *270,738,000
OMB identification code: 89-0218-0-1-274	Legal authority (in addition to sec. 1013): ☒ Antideficiency Act ☐ Other______
Grant program: ☐ Yes ☒ No	
Type of account or fund: ☐ Annual ☐ Multiple-year ______ (expiration date) ☒ No-Year	Type of budget authority: ☒ Appropriation ☐ Contract authority ☐ Other______

Justification: *Funds appropriated to this account are for the development of the Strategic Petroleum Reserve (SPR), including facilities construction, planning, and program administration. The deferral of $270,337,460 consists of prior year appropriations for crude oil storage facilities construction and results from a proposed indefinite moratorium on further development of the SPR after 1985. This moratorium will be reassessed as fiscal and oil market conditions warrant. The deferral of $400,540 consists of recoveries of prior year obligations for projects and activities which were completed or terminated during the months of February through July 1984. These funds cannot be effectively used this year and will be used to partially offset the 1986 appropriation request. This action is taken pursuant to the Antideficiency Act (31 U.S.C. 1512).

Estimated Program Effect: *This deferral will result in an indefinite curtailment of all further facilities construction. The partially completed storage facilities will be maintained in a mothballed condition and all completed facilities will be maintained in a state of standby operational readiness in the event of a possible drawdown.

Outlay Effect *(in thousands of dollars):

1985 Outlay Estimate		Outlay Savings					
Without Deferral	With Deferral	1985	1986	1987	1988	1989	1990
318,405	271,247	47,158	189,517	34,063	---	---	---

1/ This account was the subject of a similar deferral in 1984 (D84-26B).

* Revised from previous report.

DEPARTMENT OF ENERGY

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves $39,154,000 of the proposed deferral D85-27A relating to the Department of Energy, "Fossil energy research and development", as set forth in the message of February 6, 1985, as amended, which was transmitted to the Congress by the President. The disapproval shall be effective upon enactment into law of this bill and the amount of the proposed deferral disapproved herein shall be made available for obligation.

(DEFERRAL)

Of the funds available for obligation under this head, $1,600,000 shall not be available for obligation until October 1, 1985.

FOSSIL ENERGY CONSTRUCTION

(DEFERRAL)

Of the funds available for obligation under this head, $860,000 shall not become available for obligation until October 1, 1985.

NAVAL PETROLEUM AND OIL SHALE RESERVES

(DEFERRAL)

Of the funds appropriated under this head in the Act making continuing appropriations for the fiscal year 1985, and for other purposes (Public Law 98-473), $181,000 shall not become available for obligation until October 1, 1985. 98 Stat. 1861.

ECONOMIC REGULATION

(RESCISSION)

Of available funds under this head, $102,000 are rescinded pursuant to section 2901 of the Deficit Reduction Act of 1984. 98 Stat. 1207.

EMERGENCY PREPAREDNESS

(RESCISSION)

Of available funds under this head, $51,000 are rescinded pursuant to section 2901 of the Deficit Reduction Act of 1984.

STRATEGIC PETROLEUM RESERVE

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves the proposed deferral D85-31A relating to the Department of Energy, "Strategic petroleum reserve", as set forth in the message of February 6, 1985, as amended, which was transmitted to the Congress by the President. The disapproval shall be effective upon enactment into law of this bill and the amount of the proposed deferral disapproved herein shall be made available for obligation.

CONGRESSIONAL CONCERNS

Mr. **Fazio**. This committee has been very forceful in our efforts to make a point, and we will give you an opportunity to provide more information than you have had the opportunity to give us today.

Do not overlook the passion with which we speak as appropriators and the frustration we feel given the law by which we are bound. We are looking forward to not only justifications or defenses of decisions that GAO has made, but some sort of outline of what will be done to correct the problem in the future.

Mr. **Socolar**. One thing I might add at this point is that it would be extremely helpful to us if any of the members who are aware of particular situations could let us know about them so that we could deal with them from the start.

Mr. **Fazio**. When we smell smoke, we will let you know. But that is no substitute for constant vigilance by GAO and a faithful execution of your responsibilities.

Mr. **Bowsher**. If you are going to terminate the thing on——

Mr. **Myers**. Are you looking for more work?

Mr. **Socolar**. Well, we do have a responsibility here.

Mr. **Fazio**. There aren't many routine approvals. The committee is looking for a way to highlight those that don't fall in that category.

Mr. **Bowsher**. We will give it close attention.

PROJECT WORK LOAD

Mr. **Fazio**. Let's proceed with the hearing and look into project work load. You indicated in your introductory remarks that you continue to be battling some of the age-old questions of individual or committee-initiated requests.

Tell us about that. We have noted a decline in recent years. That may be due to larger projects instead of easier accomplished, smaller projects. We would like to keep a handle on the completed blue book issue.

Mr. **Bowsher**. We have had a decline in the number of products, one of the reasons being, Mr. Chairman, the one you highlighted. The issues that we are being asked to address these days are more complicated than in the past, and I think that trend will continue.

Another reason is that we were making efforts to reorganize, to change our format, and to change our planning process, and any time an organization does that, it has to take a temporary period of lost productivity.

I would point out that in the first quarter of this fiscal year we issued 175 total products, compared with 100 in the previous first quarter. So we have turned the corner in that we are producing more products now than we were last year.

I don't know whether that is a continuing trend. We have to go for a longer period. But we are hopeful that the production will be there, and we will keep you informed.

CONGESSIONAL REQUESTS FOR WORK

Mr. **Fazio.** Are you getting an increase in the number of individual Members who are asking for reports, or has it stabilized?

Mr. **Bowsher.** No, it is definitely an increased number of requests from the Congress. As I pointed out, 75 percent of our work across the board is now being done at the request of Congress, and we have some areas where the figure is 80, 90 and 100 percent.

Mr. **Fazio.** That increase is in one fiscal year? Is that the basis from which you are operating?

Mr. **Bowsher.** Yes, it is.

Mr. **Fee.** 1986.

Mr. **Bowsher.** I can give you the numbers. When I took over in 1981, we were right around 40 percent. In 1984, the first quarter, we were running 45 percent, and that stayed pretty steady in the 40's through 1984.

Then in 1985, it jumped into the 50's, then up into the 60's, and now we are up 70 percent.

ABILITY TO HANDLE WORK LOAD

Mr. **Fazio.** How have you been able to handle that without increasing the number of personnel?

Mr. **Bowsher.** If you went to GAO today and asked, "what worries you the most?" the GAO people would say, "We are not sure we can handle the work coming from the Congress."

I feel that it is forcing us to be more attentive to the plans that we have put together to make sure that we are in contact with the committees of the Congress as we build our plans, and that we are building into the plan what the Congress is interested in—and we agree with that line of work.

I want to make sure that we are getting the requests from the Congress that fit those plans and that anything we self-initiate also fits into those overall plans. I think our associate directors are doing an outstanding job of making that transition.

We are going to end up doing a really good mix of work here that is going to be very interesting to the Congress, because they will have requested it.

At the same time it is going to fit the overall issue, because I think it is very important to the associate directors at the end of any 2 or 3 years if somebody asks a question—What did you do in the area of health care? What did you do in the area of income security? What did you do in the area of major weapon systems for the Defense Department?

We can say that while we didn't do everything the Congress asked us to do, we worked on important issues, we effected important dollar savings, we got legislative initiatives that were accomplished. That is what we are trying to achieve.

I think the trend is moving in the right direction.

Mr. **Fazio.** Are you moving individual requests into larger projects that relate to subject areas or committee requests?

Mr. **Bowsher.** They are mostly committee requests. We have very few individual member requests. A high percent of our work comes out of the committee structure.

Mr. **Fazio**. It is not the individual with an ax to grind that is using up your time?

Mr. **Bowsher**. No. That is what I am trying to discourage, and sometimes I fear that we are not being responsive. But, truly, I would much prefer to receive the work from the committee structure and to know that the committee is behind the effort. This is important.

GAO'S CONGRESSIONAL REQUEST WORK

Mr. **Fazio**. Occasionally, people complain you deviate from the intent of the request, perhaps going in the direction where you have expertise or where you find the subject more essential or compelling.

Mr. **Bowsher**. It is of concern to us also and we do hear that from people from time to time. In one of the directives I issued last September, I alerted the organization to try not to be doing that unless it is agreed to and justified.

I might add that we have a major effort going on, which I think will take a couple of years, to improve the efficiency of GAO and the timeliness of our work.

Frank Fee, as head of our operations, is heading that effort up. And we are taking a lot of initiatives. We are trying to get the ideas up from our division and offices.

One of the things we are looking at is greater use of confirmation letters—letters sent to the committees that state our understanding of what we have agreed to do.

Occasionally, we get into the problem where people say, "That isn't what we asked you to do" or "You didn't address such and such an issue," and that worries us.

It isn't happening too much anymore, but it is still happening occasionally. We are hoping to put procedures in place that would eliminate it.

Mr. **Fazio**. How much time do you spend working with the committees in order to direct the work flow in the appropriate direction?

Mr. **Bowsher**. We spend quite a bit of time.

Mr. **Fazio**. Bringing back the processed work so——

Mr. **Bowsher**. What we start with is, literally, the planning process. We have our people up here working with the committee staff and with the Members, finding out what they want, what areas they are interested in.

Then, as we get the individual requests, hopefully our congressional liaison group has been in contact with the committees and in contact with our own people, and if a meeting is needed, which many times it is, we go up and meet.

When the letter comes over, hopefully the job is one that we agree we can do, and have the competency and talent to do, and we can do it in the time frame people are hoping for. It is that kind of interaction that I am hoping to get from all our efforts.

Needless to say, occasionally in an organization doing 1,000 jobs at any one time things break down or people misinterpret, and it is that misinterpretation I would like to get out of the system through these confirmation letters. So we are trying these letters on a prototype basis.

Frank, do you want to add anything?

Mr. **Fee**. I would like to add one more point, Mr. Chairman.

Getting our senior people to talk to the requestor is what we are trying to do to make sure we have that common understanding.

Mr. **Fazio**. Sure. We certainly understand the difficulty in communications, but it is essential to focus on the intent of Congress in a particular study.

Generally, that has been accomplished, but every once in a while we hear of an exception and, of course, it is disturbing.

I have a question to be answered for the record.

[The question and response follow:]

PROJECT WORKLOAD

Question. For the record, update the project data on page 839 of the FY 1986 hearings. Make this a complete tabulation of all GAO reports.

Response.

GAO PRODUCTS ISSUED IN FY 1984, FY 1985, FY 1986 and FY 1987 BY PRODUCT TYPE

Products	1984 actual	1985 actual	1986 estimate	1987 estimate
A. Report and staff studies				
Congress	78	92	94	99
Committees	266	269	275	285
Members	100	97	98	100
Agency Officials	190	128	128	130
Total	634	586	595	614
B. Testimony	145	117	127	139
C. Briefings	357	393	419	441
D. Congressional inquiries on claims activities	174	231	279	327
E. Legal decisions and advice	4,550	5,139	5,345	5,540
F. Legal opinions and interpretations for Congress	587	537	541	545
G. Bill comments	38	21	24	25
H. Other	682	932	981	1,036
Grand total	7,167	7,956	8,311	8,667

STANDARDIZED BUDGET JUSTIFICATIONS

Mr. **Fazio**. I want to thank you, before we go further, on the fine work done by Bill Hill and his staff. We have asked over the last several years for assistance on standardized budget justifications in the legislative branch. There has been marked progress in that area, and we can attribute it to the efforts your folks have made.

I would like to talk about the staff issue.

STAFFING RESOURCES

We have gone back and forth over several years on making the modifications and adjustments in the staffing. When you came on board you wanted to see a staff transition which would bring in new skills and leaven the mix of available resources at GAO, and we have had some success in that regard.

We encountered problems due to a tight budget imposed by this committee and by Gramm-Rudman. You are now asking us to restore 58 staff years lost to Gramm-Rudman plus 100 new staff years. You did refer to this in your introductory comments, but we need to concentrate on it.

ALLOCATION OF STAFF BETWEEN WASHINGTON AND THE FIELD

Most of these positions are to be assigned in Washington; only 25 of the 158 into the field. Is that the most cost effective way to make these allocations? Are you overlooking the importance of your field work in the location of these positions?

Mr. **BOWSHER**. I don't think so, Mr. Chairman. It is also an issue that we are concerned about as we try to balance our forces.

In fact, that is another major part of the review that Frank is heading up. We want to look at all our locations and see where we have people, where we need people, and whether we have the right skills in those areas.

We have made a lot of progress here, even though we have not had a lot of growth. In the last five years the organization and leadership of the GAO have been marvelous in trying to adjust. I think this higher percent of congressional requests forces it.

Mr. **FAZIO**. It forces the Washington siting of these personnel?

Mr. **BOWSHER**. The Washington and the field balancing.

Mr. **FAZIO**. Are you out of balance?

Mr. **BOWSHER**. What we are finding is that the Washington people, many times, have the skills and the background to do this work, and with the jet travel and the communications we have today, we often don't need quite as large a field organization as we did historically.

We have to reorganize. The field organization goes back, literally, to World War II when it was all set up with some modification.

Mr. **FAZIO**. You thought it was out of balance when you came on board?

Mr. **BOWSHER**. I didn't have any official views on that myself. I told everybody I wasn't going to make any changes in the field organization, and I haven't in the five years.

But as we have added some capabilities, sometimes we have found that we had to do it in the Washington area. Some of the economic studies that we were doing on the yen versus the dollar and some of the really tough work that we have been asked to do by the Congress in the last few years, lots of times took some new expertise.

Let me give you an example of where we put some of our capabilities into the field, and that is the financial institution work we are doing, which, I think, is among our best work right now. It is newer work, which we didn't do five years ago.

We have that capability in our New York office, where a lot of the financial markets are, and in Chicago, where the futures markets are. So wherever we have a logical place to put the talent, that is where we try to put it.

But I would say that you have noted our efforts here in recent times, especially this year. Correct me if I am wrong, Frank, but in previous years we were more balanced in our request work between the field and Washington.

Mr. **Fee**. That is correct.

Mr. **Bowsher**. This year, we were trying to get the investigative group going (that is 15 people), we were trying to get the financial audits—most of those are headquartered in Washington, and we are still trying to build up our ADP telecommunications.

We have been able to transfer some of that capability to the field, but we have to build it up more here. As for the defense area split what do you have on that in the field versus Washington?

Mr. **Fee**. It is still about 50/50 in terms of the total amount we spend in the national defense area, about half in Washington and half in the field.

What Mr. Bowsher is saying is that this year we have concentrated more on Washington because the nature of the requests that we are getting are driving us more to the policy-type function.

In prior years, we had tried to split GAO in a 55/45 way. There has been a little bit of give and take, but that is about where we have been coming out. What this will do is replace those people we are going to lose through attrition.

Mr. **Fazio**. These are not new positions as much as replacement of people?

Mr. **Bowsher**. The hundred here would be the new positions.

Mr. **Fazio**. So, of the 100, it is 75/25, D.C.?

Mr. **Bowsher**. Yes.

Mr. **Fee**. Excuse me.

Mr. **Bowsher**. Go ahead.

Mr. **Fee**. Of the 100, almost all are in Washington. Of the 158, 24 are in the regions, because that is how many we expect to "attrit" as a result of Gramm-Rudman.

RECRUITING INTO WASHINGTON OFFICE

Mr. **Fazio**. I appreciate your candid responses. We have some questions along these lines for the record. Tell me about the impact of recruiting people to live in one of the most expensive areas in the country.

Mr. **Bowsher**. It is a problem, but it isn't insurmountable. We have been able to attract fine people to GAO in the last few years. Once we were allowed to go to that national recruiting program we discussed with you—and you supported us—why, we have been bringing in, both in the field and in Washington, superb people.

Although the salary structure is one that people often ask me about, that is, how can you attract good people at these salary levels?—and your point is well taken about the cost of living—but we are getting good people.

Mr. **Fazio**. You have been making efforts to bring employees in at lower ranks to fill vacancies created by those who leave the agency at higher levels.

Mr. **Bowsher**. I agree.

Mr. **Fazio**. It would be more difficult to bring young college graduates into this environment than to locate them in your other regional centers. Isn't that the case?

Mr. **Bowsher**. It is true, but—go ahead, Frank.

Mr. Fee. A lot of the people we are looking for find coming to Washington a pretty exciting thing to do for a few years of their career.

Mr. Fazio. Once they have bought the house, we retain them for a few years.

Mr. Fee. I think we will find that we will have them for fewer years because of that.

Mr. Fazio. Because they can't afford to stay here.

Mr. Bowsher. One of our problems is getting people to transfer from field offices into Washington.

Mr. Fazio. They are usually too savvy.

Mr. Bowsher. Lots of times they were willing to do that because of the added promotional incentive, the testimony, and things people in Washington get to do.

Generally, it was quite common, and a lot of our top people started in the regions. Today, once they have started in a lower cost area, they tend to be reluctant to come into the higher cost area.

Mr. Fazio. It may also say something about how people perceive government today, and what they may see as their role in government. Government is targeted as a part of the problem and not the solution. That notion may have some impact on how much romance and commitment the Washington career brings to people, I regret to say.

Mr. Bowsher. I might point out, also, that the universities turn out an awful lot of masters of public administration type people, and these people often have outstanding undergraduate backgrounds and work experience, and GAO has a lot of appeal to them. So our recruiting has been very satisfactory.

Mr. Fee. We have been able to attract some very fine people from the schools of public administration.

Mr. Fazio. The General Accounting Office is right down their alley. It may be more difficult to recruit technical expertise.

Mr. Bowsher. That is right. When you talk about computer people and engineers it is more difficult.

Mr. Fazio. I have a question to be submitted for the record at this point.

[The question and response follows:]

Question. For the record, update the nonpermanent staff data on pages 870–871 of the fiscal year 1986 hearings.

Response. The following tables contain the information requested.

DURATION OF NONPERMANENT GAO EMPLOYMENT

Type of employee on rolls	Fiscal year— 1984	Fiscal year— 1985
Expert/consultant:		
Up to 6 months	5	13
6 to 12 months	48	56
More than 12 months	270	280
Summer hire:		
Up to 6 months	65	87
6 to 12 months	0	0
More than 12 months	0	0
Other temporaries:		
Up to 6 months	143	104

DURATION OF NONPERMANENT GAO EMPLOYMENT—Continued

Type of employee on rolls	Fiscal year— 1984	Fiscal year— 1985
6 to 12 months	112	135
More than 12 months	108	93

SALARY RANGES OF NONPERMANENT EMPLOYEES

	Up to 6 months	6 to 12 months	More than 12 months
FISCAL YEAR 1984			
Consultants			
Daily rate:			
$70 to $140	1	0	29
$141 to $180	3	8	46
$181 to $220	0	12	87
$221 to $260	1	28	108
Summer Hires			
Annual salary rate:			
$9,000 to $13,000	52	0	0
$14,000 to $18,000	13	0	0
Other Temporaries			
Annual salary rate:			
$9,000 to $20,000	140	105	102
$21,000 to $30,000	2	7	6
$31,000 to $55,000	1	0	0
FISCAL YEAR 1985			
Consultants			
Daily rate:			
$44 to $125	3	9	8
$126 to $175	3	14	42
$176 to $225	3	11	90
$226 to $265	4	22	140
Summer Hires			
Annual salary rate:			
$9,000 to $13,300	49	0	0
$13,400 to $17,400	4	0	0
$17,500 to $17,900	34	0	0
Other Temporaries			
Annual salary rate:			
$9,000 to $20,000	102	127	84
$21,000 to $30,000	0	6	9
$31,000 to $70,200	2	2	0

INFORMATION MANAGEMENT AND TECHNOLOGY DIVISION

Mr. Fazio. Let's talk then about the IMTEC issue. The division was just created two years ago, and I anticipate a real problem in bringing these people on board given the salaries available in the private sector.

This is a Washington entity, isn't it?

Mr. **Bowsher**. IMTEC is, but they have their counterparts in the field like all our program divisions. If you remember, Mr. Chairman, when we started this unit, I said we would have trouble recruiting and retaining the people, because of the private sector—the corporations. Everybody has trouble in this area retaining top people, and it is very competitive pricewise.

So, we have had some of those problems, but if we are going to build a unit, you keep working at it, and that is what we are trying to do. We have had a good deal of success, but not all the success I was hoping for.

Mr. **Fazio**. How many staff do you have assigned now?

Mr. **Bowsher**. We have 165 on board.

Mr. **Fazio**. You want to be adding 37 this year?

Mr. **Bowsher**. That will be correct.

MAJOR ACCOMPLISHMENTS

Mr. **Fazio**. Tell us about some of the major accomplishments of the division, and indicate for us any significant improvements in government ADP activities.

Mr. **Bowsher**. Yes. In the time since IMTEC was established, it has issued 37 reports and 2 bibliographies and it has testified before congressional committees 12 times. We are currently working on 56 active jobs of which 60 percent are congressional requests.

I think they have had some significantly good jobs, and one of the big areas is in Social Security Administration, doing a lot of work for the House Government Operations Committee.

The Paradyne report was hard hitting and it led to significant developments.

When the government gets into trouble, like with the IRS in Philadelphia and places like that, having this group now gives us the capability to send more talented and trained people, to look at some of the important ADP issues.

The report we issued on those IRS stories, I think, is the type of thing we should do. Now, if you remember, what I was hoping for and still am hoping for is that we can review those major programs that depend on the computer systems, such as social security, FAA, and VA, there are about 6 or 10 of these programs.

Unfortunately, we are not at the point of getting deeply involved or going much beyond these programs yet. But I think that is where we would make our greatest impact if we could ever get up to the capability needed to do the kind of work, which I think will have a tremendous impact on the government in this area.

We are also doing work in the defense area. In summary, we haven't made as much progress as I was hoping. This is an area, of course, that has been impacted by Gramm-Rudman because we haven't been able to have the build-up pattern that we initially had proposed. But we are still working at it and trying to get the job done.

Mr. **Fazio**. We have some questions along these lines for the record.

[The questions and responses follow:]

Question. For the record, tabulate the number of projects started and completed by IMTEC since established, the number of requests and source of each request, and the recipients of each report, briefing, or other project.

Response. Since the establishment of IMTEC in 1983, this division has issued 37 reports and 2 bibliographies, completed 95 projects, received 56 congressional requests of which 11 are currently being worked upon, initiated 156 jobs, provided 51 briefings, and testified 12 times.

The following listing provides the title of each report that has been issued, the date of issuance, the requestor, the type of report, the report number, the project group leader, and internal GAO numerical codes.

IMTEC REPORT NUMBER CONTROL LOG

FISCAL YEAR 83

IMTEC Report Number	Report Title	Product	Report Date	B-Number	Job Code	Group/Person	-----Congressional-----		
							yes	no	requestor
GAO/IMTEC-83-1	Summary of Review of the Army's Division Level Data Entry Device Acquisition	Letter Report	8/16/83	B-207569	913680	AFMD/Tara	Yes		Jack Brooks, Chairman, Gov Ops RESTRICTED
GAO/IMTEC-83-2	"DOD's Automated Telecommunications Centers Reduce the Impact of Message Volume on Staffing	Letter Report	8/16/83	B-208596	009727	GGD/Latta	Yes		Hon. Les Aspin, House of Rep.
GAO/IMTEC-83-3	---------------[CHANGED TO FY 84 NUMBER]---------------								
GAO/IMTEC-83-4	How the Content of the Agricultural and Economic Censuses is Determined and Used	Blue Cover	9/2/83	B-207508	275162 275163	AFMD/Kudla	Yes		Katie Hall, Chair, Sub.Com. on Census & Population, Com on Post Off. & Civil Service
GAO/IMTEC-83-5	Software Problems in the Development of the Defense Fuel Automated Management System	Letter Report	9/6/83	B-207640	913708	AFMD/Merritt		No	
GAO/IMTEC-83-6	---------------[CHANGED TO FY 84 NUMBER]---------------								

IMTEC Report Number	Report Title	Product	Report Date	B-Number	Job Code	Group/Person	-----Congressional-----		
							yes	no	requestor
GAO/IMTEC-83-7	---------------------------------[CHANGED TO FY 84 NUMBER]---------------------------------------								
GAO/IMTEC-83-8	Opportunities to Improve Geological Survey's ADP Information Resources Management, to Director, Geological Survey	Letter Report	9/27/83	B-207802	061160	Soranno		No	
	FISCAL YEAR 84								
GAO/IMTEC-84-1 [Job killed]	ADPE Acquisition Can Be More Responsive	Blue Cover	- - -	- - -	913683	Dore	No		
GAO/IMTEC-84-2	Greater Emphasis on Testing Needed to Make Computer Software More Reliable and Less Costly	Blue Cover	10/27/83	206180	913667	Rinaldi	No		
GAO/IMTEC-84-3	An Improved Automated System Would Better Identify Small Businesses Seeking Federal Contracting Opportunities	Blue Cover	1/12/84	B-206599	061180	Beers	Yes		Chairman, Sub on General Oversight & Economy Com on Small Business, House of Represent.
GAO/IMTEC-84-4	Air Force Global Weather Central Initiates Positive Action to Assess Adequacy of its Software Inventory	Blue Cover	10/21/83	B-197338	913704	Cheatham	No	_	

IMTEC Report Number	Report Title	Product	Report Date	B-Number	Job Code	Group/Person	-----Congressional-----	
							Yes/No	Requestor
GAO/IMTEC-84-5	Report to Administrator, General Services Admin. - GSA Should Strengthen its Management and Cost Control over ADP Revolving Fund Activities	Letter Report	10/25/83	B-207733	913696	AFMD/Pollock	No	
GAO/IMTEC-84-6	Improved Management Needed in VA's Program to Authorize Courses for Veterans	Letter Report	10/20/83	205384	009725	GGD/Latta	No	
GAO/IMTEC-84-7	Air Force Progress in Implementing the Phase IV Base-level Computer Replacement Program	Letter Report	1/18/84	211087	913707	Csicseri	Yes	Brooks, Chairman Gov. Ops House of Rep.
GAO/IMTEC-84-8 [Changed to 85-1]	Better Management of Information Resources at the Bureau of Indian Affairs Could Reduce Waste and Improve Productivity	Blue Cover	- - -	209876	016008	Latta	No	
GAO/IMTEC-84-9	A Bibliography of Documents Issued by GAO on Matters Related to ADP, IRM, and Telecommunications	3A	- - -	- - -	510035	Rodda	No	

IMTEC Report Number	Report Title	Product	Report Date	B-Number	Job Code	Group/Person	-----Congressional----- Yes/No	Requestor
GAO/IMTEC-84-10	GSA's Telecommunications Procurement Program Requires Comprehensive Planning and Management	Letter report	6/11/84	215077	510003	Goodman	No	
GAO/IMTEC-84-11	ASCS Needs Better Information To Adequately Assess Proposed County and State Automation	Letter report	5/25/84	214903	913711	Merritt	No	
GAO/IMTEC-84-12 [Job killed]	OPM's Office of Automated Systems Development Needs to Modernize Software	Letter report			913708	Merritt	No	
GAO-IMTEC-84-13	Opportunities for PHAs to More Economically and Effectively Develop and Acquire Computer-Based Management Systems	Letter report	9/28/84	212494	913712	Sorranno	No	
GAO-IMTEC-84-14	Interim Observations on FAA's Plans for Major Systems Acquisitions	Letter report	5/4/84	206887	510027	Cannon	Yes	Lehman

IMTEC Report Number	Report Title	Product	Report Date	B-Number	Job Code	Group/Person	-----Congressional-----	
							Yes/No	Requestor
GAO/IMTEC-84-15	SSA's Data Communications Contracts With Paradyne Corporation	Letter report	7/9/84	213963	510032	Kent	Yes	Brooks
GAO/IMTEC-84-16	Navy Did Not Adhere to Procurement Regulations in Acquiring a Computer For Its Ships Parts Control Center	Letter report	7/16/84	214511	510022	Butcher	Yes	Brooks
GAO/IMTEC-84-17	Status of the Statistical Community After Sustaining Budget Reductions	Letter report	7/18/84	- - -	275167	Kaufman	No	
GAO/IMTEC-84-18 [Changed to 85-3]	Effective Management of Computer Leasing Needed To Reduce Costs	Chapter report	- - -	- - -	913693	Cheatham	No	
GAO/IMTEC-84-19 (Changed to 85-13)	The Employment Cost Index--A Better Wage Measure to Stabilize Social Security	Chapter report	- - -	- - -	275168	Cormier		
GAO/IMTEC-84-20	Army Has the Opportunity To Recompete DAS3 Purchases And Improve Automated Battlefield Support	Letter report	9/7/84	216005	510009	Cuilik	No	

IMTEC Report Number	Report Title	Product	Report Date	B-Number	Job Code	Group/Person	-----Congressional----- yes no	requestor
GAO/IMTEC-84-21	OMB's Telecommunications Responsibilities Scarcely Being Met	Letter report	9/7/84	215405	510077	Goodman	Yes	Brooks
GAO/IMTEC-84-22 [Changed to 85-2]	Review of Allegations Concerning Contract Bidding & Cost Increases for Navy's STAFS	Letter report	- - -	- - -	- - -	Tara	Yes	Proxmire
GAO/IMTEC-84-23	Additional Information on Social Security Administration's Management cf Data Communications Contracts w/Paradyne	Letter report	8/27/84	213963	510032	Shaw	Yes	Brooks
GAO/IMTEC-84-24	OMB's Actions Show Sincerity in Implementing PRA of 1980	Letter Report	9/7/84	180224	510062	Latta	Yes	Brooks
GAO/IMTEC-84-25	Better Management Controls and ADP Requirements Analysis Can Help NASA Lewis Research Center Acquire Future ADP Resources More Effectively	Letter report	9/27/84	216267	510014	Cuilik	No	—

FISCAL YEAR 85

IMTEC Report Number	Report Title	Product	Report Date	B-Number	Job Code	Group/Person	-----Congressional-----	
							Yes/No	Requestor
GAO/IMTEC-85-1	Better Management of Information Resources at the Bureau of Indian Affairs Could Reduce Waste and Improve Productivity	Chapter Report	1/21/85	209876	016008	Jurkiewicz	No	
GAO/IMTEC-85-2	Allegations of Contract Buy-in and Substantial Cost Increases in the Navy's Standard Automated Financial System	Letter Report	1/31/85	214403	510064	Tara	Yes	Proxmire
GAO/IMTEC-85-3	Effective Management of Computer Leasing Needed to Reduce Government Costs	Chapter Report	3/21/85	199008	913693	McDonald	No	
GAO/IMTEC-85-4	Review of Allegations Made About the Census Bureau	Letter Report	1/23/85	208738	510020	Kaufman	Yes	Sarbanes
GAO/IMTEC-85-5	SSA's Acceptance Testing of Its Computer Mass Storage System was Adequate	Letter Report	3/14/85	217586	510079	Heatwole	Yes	Dannemeyer
GAO/IMTEC-85-6	The Veterans Administration's Organizational Structure for Managing Computer Resources Complies with the Paperwork Reduction Act	Letter Report	3/21/85	217764	510041	Lessans	Yes	Brooks

IMTEC Report Number	Report Title	Product	Report Date	B-Number	Job Code	Group/Person	-----Congressional-----	
							Yes/No	Requestor
GAO/IMTEC-85-7	Review of Two Proposed Automatic Data Processing Procurement by the Social Security Administration	Letter Report	4/10/85	217877	510092	Merritt	Yes	Brooks
GAO/IMTEC-85-8	Patent and Trademark Office Needs to Better Manage Automation of its Trademark Operations	Letter Report	4/19/85	217448	510075	Heatwole	Yes	Brooks
GAO/IMTEC-85-9	IMTEC Bibliography	- - -	- - -	- - -	510106	Shimkus	No	
GAO/IMTEC-85-10	Federal Aviation Administration's Host Computer: More Realistic Performance Tests Needed Before Production Begins	Letter Report	1/6/85	206887	510027	Li	Yes	Lehman
GAO/IMTEC-85-11	GAO Questions Key Aspects of FAA's Plans to Acquire the Multibillion Dollar Advanced Automation System and Related Programs	Letter Report	6/17/85	206887	510068	Li	Yes	Lehman
GAO/IMTEC-85-12	GAO's Assessment of Affidavits Concerning HHS' Proposed Debarment of the Paradyne Corporation	Letter Report	6/17/85	213963	990516	Merritt	Yes	Brooks
GAO/IMTEC-85-13	Stabilizing Social Security--Which Wage Measure Would Best Align Benefit Increases With Revenue Increases?	Chapter Report	8/27/85	219175	275168	Cormier	No	Heinz

IMTEC Report Number	Report Title	Product	Report Date	B-Number	Job Code	Group/Person	Congressional Yes/No	Congressional Requestor
GAO/IMTEC-85-14	DOD Should Restructure the March Air Force Base Test of Veterans Administration-developed Software	Letter Report	9/11/85	219889	510085	Shaw/Heatwole	Yes	Brooks
GAO/IMTEC-85-15	Social Security Administration's Progress in Modernizing Its Computer Operations	Letter Report	8/30/86	217877	510092	Merritt	Yes	Weicker Proxmire Chiles
GAO/IMTEC-85-16	Social Security Administration's Computer Systems Modernization Effort May Not Achieve Planned Objectives	Chapter Report	9/30/85	220361	510042	Merritt/Bentzen	Yes	Brooks
FISCAL YEAR 86								
GAO/IMTEC-86-1BR (Group 3)	Status of Farmers Home Administration Efforts to Install Office Automation	Briefing Report	10/4/85	220242	510126	Rhile	Yes	B. Bedell
GAO/IMTEC-86-2BR (Group 3)	ADP Equipment: Buying Through GSA's Office of Technology Plus Stores	Briefing Report	11/25/86	221163	510125	Giammo	Yes	P. Mitchell
GAO/IMTEC-86-3 (Group 2)	ADP Technical Assistance: DOD's Remedial Actions on Its Contract With Electronic Data Systems	Letter Report	1/17/86	218821	510110	Quasney	Yes	Montgomery
GAO/IMTEC-86-4FS (Group 3)	Computers: Status of the Patent and Trademark Office Automation Program	Fact Sheet	12/20/85	217448	510115	Quasney	Yes	Brooks

GAO/IMTEC-86-5 (Group 1)	ADP Acquisitions: Immigration & Naturalization Service Should Terminate Its Contract and Recompete	Letter Report	3/20/86	220280	510099	Watts	Yes	Brooks Smith Laxalt
GAO/IMTEC-86-6FS (Group 3)	ADP Acquisitions: Information on Navy's Personnel and Pay Computer Project	Fact Sheet	1/23/86	221554	510116	Franklin	Yes	Addabbo
GAO/IMTEC-86-7 (Group 1)	Data Management: DOD Should Redirect Its Efforts to Automate Technical Data Repositories	Chapter Report		220908	510111	Franklin	Yes	Brooks
GAO/IMTEC-86-8 (Group 2)	Statistical Surveys: Census Bureau Has Creditable Employment and Economic Data-collection Procedures	Letter Report	3/14/86	222011	510082	Giammo	Yes	Brooks
*GAO/IMTEC-86-9	IMTEC Bibliography	---	---	---	----	Shimkus	No	
GAO/IMTEC-86-10 (Group 2)	Computer Security: Contingency Plans and Risk Analysis Needed for IRS Computer Centers	Letter Report	3/27/86	221001	510072	Watts	No	
GAO/IMTEC-86-11BR (Group 3)	ADP Operations: Consolidation of Navy's Personnel and Pay Computer Resources	Briefing Report	3/27/86	221554	510116	Franklin	Yes	Addabbo
*GAO/IMTEC-86-12 (Group 1)	ADP Systems: Concerns about Acquisiiton Strategy for DOD's Composite Health Care System	Letter Report		220732	510121	Quasney	Yes	Congress
*GAO/IMTEC-86-13 (Group 2)	Indian Royalties: Interior Has Not Fully Solved Indian Oil and Gas Royalty Payment Problems	Chapter Report			510129	Rhile	Yes	Brooks

*Reports are in final processing and have not yet been issued.

Question. For our review, please submit a copy of each IMTEC report issued since the division was established. Do not include reports substantially in progress when the division was established.

Response. GAO is providing the committee with copies of every report issued by IMTEC since 1983, the year of its establishment.

[CLERK'S NOTE.—The reports will be retained in the Committee files for a short time.]

OFFICE OF QUALITY ASSURANCE

Mr. FAZIO. Before we leave this issue, region versus central office, I would like to ask about the quality assurance office.

We were concerned a couple years ago that they were duplicating a report review already being performed by the divisions.

You assured us that you would return this responsibility to the divisions and eliminate the related requirements of the central office. What have you done to eliminate duplication?

Mr. BOWSHER. We have devolved that function down to the major divisions, for 80 percent of our reports. We will be devolving to one of the technical divisions on March 1, the second on April 30, and, we expect, the last one by the end of the fiscal year.

I hope that the central review would be phased out at that point, except we are going to keep some capability in case we get in a crunch on certain reports.

But 90 or 95 percent of the reports will be done at the division level.

Mr. FAZIO. Will you anticipate a reduction, then?

Mr. BOWSHER. Yes. We are hoping to work that out.

Mr. FAZIO. Maybe identifying areas of potential reduction.

Mr. BOWSHER. I might also point out, Mr. Chairman, that a lot of the people who did the reviews have moved into the divisions.

Mr. FAZIO. They assisted people in the divisions?

Mr. BOWSHER. That is right, and transferred to the divisions.

Mr. FAZIO. And affected them with their enthusiasm?

Mr. BOWSHER. It takes a certain amount of enthusiasm. It is like an educator in a publishing house. I feel very indebted to these people.

Mr. FEE. Prior to devolution, each of the divisions sent people to OQA for a certain period of time for training in report review, and those people went back and formed a corps.

Mr. FAZIO. That is logical. It is everyone's responsibility.

INVESTIGATIONS GROUP

Let's talk about the investigative division. Where was that work done previously, and how many people have been reassigned?

Mr. BOWSHER. That work has been done by the various divisions.

Mr. FAZIO. You are coming from the other direction on this one. You are centralizing investigative people?

Mr. BOWSHER. Right. A small central group.

I think we have to. This is a little bit like OQA. That is, we have been concerned for some time and our oversight committee has been concerned for some time that in doing our investigative work we weren't quite doing it with the skill, the timeliness and the capability that we probably should be.

We set up a task force. I brought in Chuck Dempsey, the former IG at HUD who, I think, was clearly one of the outstanding inspectors general. We had about five people on the task force, two or three from GAO and two or three outsiders including someone from the FBI and someone from the Justice Department. We are following their recommendations.

This will give us a nucleus to handle some of the more difficult investigations and also to advise our divisions on how to do investigative work in their areas.

Mr. FAZIO. What is the criterion in assigning projects?

Mr. BOWSHER. When it is a pure out-and-out investigative job where they are not looking for program evaluation, where they are not looking for an audit.

Mr. FAZIO. Are you looking for legal culpability?

Mr. BOWSHER. We are not going into criminal matters. We might stumble on criminal conduct, but I think we will probably only take congressional requests—unless one of our audit people comes across something criminal.

Mr. FAZIO. You don't work with the IGs on this? This is not something for which they come to you?

Mr. BOWSHER. No. I had always taken the position we didn't need this group. We refer most of our investigations to the IGs, and I didn't want to duplicate their work.

What we have learned, and what our task force has confirmed, is that there are a certain number of investigations that the Congress, for one reason or another, does not want to give to the IGs and wants the GAO to do.

Mr. FAZIO. Do you think that is warranted?

Mr. BOWSHER. I think it is warranted in certain situations. I hope we don't get flooded with a lot of requests. I would still hope most of them could be done by the IGs.

Mr. FAZIO. Is that your call, basically?

Mr. BOWSHER. My call?

Mr. FAZIO. Whether your investigative unit does it or you pass it on to an IG. How does that process get handled?

Mr. BOWSHER. If it comes from the fraud hotline, our people do make a referral, and I don't think we keep any of those unless there is a request by the agency. Occasionally they may have some senior personnel that is involved, and therefore not want to take it.

I remember at one point we did a review of an IG himself at the request of some of the senior people. So, it is unusual ones like that which we handle.

Now, let's say we come upon a problem that our audit people have discovered. We will often try to finish that ourselves rather than turn it over to an IG. But sometimes we work in conjunction with the IG. I can think of one problem on which we worked in conjunction with the Department of Transportation.

When we get requests from the Congress, we many, many times discuss with the committee people the possibility of turning it over to the IG. So that is one area where I am quite confident we are not trying to pull in the work and deny it to other people.

Mr. FAZIO. Do you have a fixed number of people in this unit? You are not letting it get too big.

Mr. **Bowsher**. We were going to have it maybe a little bigger before Gramm-Rudman came along. We are now starting very small because we see the limitations that we are under, and we don't know quite what the budgeting future is for the next 2 or 3 years. So we are starting very small, and we are going to keep it quite limited for the next year or two.

RESTORATION OF GRAMM-RUDMAN-HOLLINGS

Mr. **Fazio**. I wanted to touch on the question of your Gramm-Rudman-Hollings reduction. You are asking for a total of $12,941,000 to restore the GRH reduction. Part of that is to pay for the 58 staff positions ($6 million), and the balance for other items. By the time we get a bill adopted, the GRH level will probably already be worked into your level of effort. What if we just disallowed that and looked only at your increases over and above the restoration?

Mr. **Bowsher**. I don't think that's a good idea, Mr. Chairman.

Mr. **Fazio**. I didn't think you would. I wanted to test you on it anyway.

Mr. **Bowsher**. We don't know where the attritions are going to take place. When we put a freeze on, we have to leave those attritions vacant, so it is a case of balancing it all out. We believe we will probably have to replace them.

As you can see, I have not made any effort to do so other than where we think we may get attrition. Historically, some of these areas have a higher attrition than some of the others, and that is what we realistically laid out. But we hope that we can replace those people.

Mr. **Fazio**. What about funding for functions of GAO other than personnel?

Mr. **Fee**. I think some of the other cuts have been in the area of travel and training. That is going to hurt, to be honest with you, especially in travel. Travel is quite a bit below the 1985 level, and with the increases in the travel cost plus the increases in the per diem allowances scheduled to take place in July that is going to have a big impact on us next year.

Mr. **Bowsher**. Mr. Chairman, if you remember, one of the things I tried to stress when I got here was getting our senior people out on the job, getting our senior people from Washington working with our staffs in the field. And what we are really saying to them now is, do that, but try to be more efficient and don't take as many people out.

TELECONFERENCING

Mr. **Fazio**. What about teleconferencing?

Mr. **Bowsher**. I want to do that. As soon as we can afford to do it, I want to.

Mr. **Fazio**. You don't have teleconferencing capability this year?

Mr. **Bowsher**. No, but I think we could save a lot of travel. I haven't looked at it, to be very honest. Maybe that is something we ought to look at.

Mr. **Fazio**. It should be considered. I don't know where the cost benefits are. The airline rates keep going down; maybe it is still cheaper to fly.

Mr. **Bowsher**. It might be. Even the time savings could be significant.

We have tried it on an experimental basis. Everybody likes it.

Mr. **Fazio**. There have been some suggestions on the Hill——

Mr. **Bowsher**. We are talking about video conferencing.

Mr. **Fazio**. The capability in this area is expansive. For example, while flying to my district, I sat behind one of your GAO people from Sacramento. This person is spending a tremendous amount of time going back and forth. Had he been able to use a video teleconferencer, he could have accomplished his task in half the time and expense.

Mr. **Fee**. If I could add one other thought, too. The use of a microcomputer, and the telecommunications ability it offers, has some savings we can use, too, and people can talk to each other. We have done some of that.

Mr. **Fazio**. The committee is interested in advancements of this nature for the Legislative Branch. I don't know how this interrelates with your interest, but I hope GAO will work with our committee as you begin to work on this.

What do you do in your normal internal telephone system? Are you making changes in that at all?

Mr. **Fee**. We are on hold right now, Mr. Chairman, and working with the committee to sort through what we need to do.

INGRADE INCREASES AND PROMOTIONS

Mr. **Fazio**. The committee appreciates that. We are looking at mandatory items here, and concern is expressed about ingrade increases and promotions.

Are we seeing grade creep here?

Mr. **Bowsher**. No.

Mr. **Fazio**. Are you being very vigorous in how you review these steps?

Mr. **Bowsher**. We have the statistics with us. Our average grade in 1983 was 11.30; in 1984, 11.34; and 1985 in 11.31.

When we come into a freeze-type situation like this, it starts to get away from us a bit, and we just don't know what mix we are going to get of the attrits. For the last 3 years, we have been able to maintain our average grade fairly well.

Mr. **Fazio**. That is a good example of how the freeze approach adversely affects the personnel systems.

STANDARD LEVEL USER CHARGES

What about the SLUC charges? Briefly, how much is foisted on you by GSA?

Mr. **Bowsher**. Quite a bit.

Mr. **Fazio**. We, in the Legislative Branch, understand.

Mr. **Bowsher**. We are up $5.9 million in rate increases.

Mr. **Fazio**. I have a question to be inserted in the record at this point.

[The question and response follow:]

MANDATORY ITEMS

Question. You are asking for $15.2 million in mandatory items. Is every ingrade increase (+$1.6 million) and every promotion (+$2.7 million) a mandatory item? We have all heard of grade creep. How much grade creep is there in these figures?

Response. The issuance of within grade increases and promotions are displayed in the budget request as mandatory obligations. GAO defines mandatory costs as those costs which must be paid in response to either a requirement of law or necessary employee compensation.

The payment of within grade increases is made on time in virtually all instances to employees in general schedule positions and wage board positions. The payment of these increases can be deferred only for employees whose performance is at a less than satisfactory level.

The payment of promotions is necessary to maintain organizational structure and to replace positions vacated through retirements, resignations, and deaths.

In the fiscal years 1983, 1984, and 1985 the average grade has remained substantially the same level—11.3 of the general schedule. There has been no grade creep during these years. The average GS grades by fiscal year follows:

Fiscal year:	*Grade*
1983	11.30
1984	11.34
1985	11.31

ASBESTOS PROBLEMS IN GAO BUILDING

Mr. **Bowsher**. As you are aware, we have an asbestos problem at the GAO building, so we have to have another $1.8 million for swing space. That means moving people into other space as we clean out a whole floor of asbestos. And then the other is pretty small stuff.

But those are the two big issues.

CONTRACT SERVICES

Mr. **Fazio**. What about the increases in contract services?

Mr. **Bowsher**. We are cutting that back, you know, for 1986.

Mr. **Fazio**. Are you pushing it forward?

Mr. **Bowsher**. We had a fairly good increase in the 1987 budget just because we were hoping to do more things, including working with some outside experts in the financial area and some of the program evaluation areas.

Now, if that isn't possible because of the budgetary constraints, we can certainly talk about it.

SECURITY INVESTIGATIONS

Mr. **Fazio**. What about security investigations? Is that part of your contract?

Mr. **Bowsher**. No. That is in another category. We are moving over to OPM, away from the Defense Investigative Service, and that is going to cost us more money.

Mr. **Fazio**. Why are you doing it?

Mr. **Bowsher**. Our Oversight Committee has been concerned about the independence issue there, and we share some of its concern. Although I wish we didn't have to spend the added money, we finally decided that was the best move.

Mr. **Fazio**. I am going to put some questions in the record on security investigations, as well as travel, rent and utilities.

[The questions and responses follow:]

PRICE LEVEL CHANGES—SECURITY INVESTIGATIONS

Question. We see a $1.6 million increase for contract services for price level increases. How much of this is associated with security investigations?

Response. Of the total $1.6 million price level increase for contract services, $488,000 is related to personnel security investigations. This increase results from concerns expressed by the House Committee on Government Operations about the potential for conflicts arising from using the Defense Investigative Service (DIS). We essentially agree with these concerns. Therefore, we have included a request for more funds to permit all investigations to be performed by the Office of Personnel Management's (OPM) investigative service in order to avoid any possible conflict of interest with the Department of Defense since much of our work concerns the Defense agencies. The Defense Investigative Service has been used primarily due to its quick turn around time of 90-120 days and lower fees, averaging $600. By contrast, OPM charges an average of $1,750 per investigation requiring up to 12 months to complete. The $488,000 represents an increase of $1,150 for each of the 425 investigations planned for FY 1987 based on current staffing levels. The planned number of background investigations will include only those personnel having a need for access to classified material or who work in areas such as the Internal Revenue Service or the Social Security Administration where access to sensitive data is required.

Question. How many investigations do you conduct annually? How much do they cost?

Response. In addition to background investigations for security clearances and other specific sensitive positions GAO secures national agency check investigations (NACI) for employment suitability determinations and lower level security clearances and periodic reinvestigations (PRI) for re-affirmation of security clearability after either 5 or 10 years (depending on the level of clearance held) from the date of initial clearance or previous update. The average costs for the NACI and the PRI are $20 and $6 respectively.

During FY 1985, 629 background investigations were conducted by DIS for $334,059, averaging $530 each. In addition, 362 NACI's for $7,240 and 1,021 PRI's for $6,126 were secured bringing the total security investigation expenditure to $347,425. The $292,000 available in 1986 will allow funding of 466 background investigations for $277,000, 530 NACI's for $11,000 and 670 PRI's for $4,000. The 1987 budget request will fund 425 background investigations which are to be conducted by the Office of Personnel Management by direction of the House Committee on Government Operations at an average cost of $1,750 for a total of $744,000. It is estimated that approximately half of the additional 100 average positions requested will require security investigations. An additional $88,000 is included for these new positions. The remaining $44,000 requested is based on an estimated 500 NCI's for $10,000 and 453 PRI's for $34,000 (to be performed by OPM at an average cost of $75), for a total request of $876,000.

PROGRAM INCREASES

TRAVEL

Question. You have a 9% (+$1.5 million) increase in travel. Wouldn't that be lessened if more staff were assigned to field locations?

Response. The majority (58%) of the increase in domestic travel is needed for the personnel at our regional locations to carry out audit and evaluation assignments of federal programs in government offices and defense contractor plants that are in cities other than the ones where the GAO regional offices are located. To insure that GAO audits and evaluations of federal funds and programs are sufficiently performed with adequate detail and scope, the 9% program increase in travel is necessary.

Additional travel funds are necessary for our Washington based supervisors to visit the field audits during the course of an assignment and during report preparation. Such visits help assure that our work is properly focused and completed in a timely way.

Question. What is the pattern of your travel cost per project? Up or down? (One reason it may be going up is more staff assigned to fewer projects.)

If you have the data, I'd like to see your travel cost per project for the past few years, the number of projects, and the average number of staff assigned.

I would also like to see a tabulation of non-project travel over the past few years. Is that up or down?

Response. GAO's assignment management information system does not track travel cost by project. We do have information on how much of GAO's travel budget has been spent on project-related travel, training-related travel and other travel for fiscal years 1983, 1984 and 1985. As shown below, there has been little change in the percentages over the past three fiscal years. GAO continues to spend most of its temporary duty and local travel funds on project-related travel. In fiscal years 1983 and 1984, GAO spent 92 percent of its TDY and local travel expenditures on project-related travel; in fiscal year 1985, this amount increased slightly to 93 percent.

GAO TEMPORARY DUTY AND LOCAL TRAVEL EXPENDITURES

[In millions of dollars]

	Total	Projects	Training	Other
Fiscal year:				
1985	15.4	14.3	0.5	0.6
1984	14.3	13.2	.6	.5
1983	13.0	12.0	.5	.5

RENT, COMMUNICATIONS, AND UTILITIES

Question. GAO is asking for $5.2 million over a $25.9 million base. How much of this is for housing staff displaced by the renovation work at your building? Has that work started? Can we delay this item until next year?

Response. We are asking for $1.8 million to provide an additional 75,000 square feet of space to house personnel displaced by the renovation of the heating, ventilation and air conditioning system (HVAC) and the removal of asbestos materials in the GAO headquarters building. At present, we are renovating one-half of a floor at a time which means the asbestos removal will not be completed until around 1996. If we can obtain funding to procure additional space, the contractor can start to renovate one floor at a time. This means that all asbestos would be removed 5 years earlier than is now planned.

We can delay this project; however, we do not want to expose our employees to this substance, which can be hazardous to their health, any longer than is minimally necessary.

Question. We note funds needed for a new telephone exchange. We want to look into this subject on a legislative branch-wide basis. Can you delay this expenditure until we have completed our inquiry?

Response. If the legislative branch-wide private business exchange does not require any funding in FY 1987, this expenditure can be delayed. The funding request for FY 1987 was based on our participation with the Department of the Treasury in its procurement action. Treasury shares our headquarters building with us, and they wanted us to join them in this project.

LONG RANGE ADP PLAN

Mr. FAZIO. I would like to talk briefly about ADP equipment and services, and service contracts. Can you give us an overview of your ADP plans in your area?

Mr. BOWSHER. The budget we have is about the same as the previous year, except for what we had projected on the long-range plan activity. What that really means is we have $10 million in current operations and we have about $7 million for what we are hoping to be future initiatives.

As I pointed out, we don't have the long-range plan finalized yet. I think we have some good people working on it; we have good leadership now, which is something the S&I group pointed out.

We are hoping that when we finalize our plan, we will have the money to carry it out. We have a lot of micros, and the big issue we are looking to is, do we go to a central processor, and do we have to have the souped-up micros. Some people refer to them as the ATs. That is what we are trying to sort out.

One of the big issues is mission capability. GAO people are taking to this computer age very well. We are doing jobs now with billion dollar implications for savings that we just couldn't do 5 years ago.

There are really two reasons we are doing it, and they are the increased capability of our people, and their ability to use these computers. I think this $4 billion report on defense is a classic case. We never could have done it—in fact, we couldn't have done the Gramm-Rudman job if we didn't have the equipment we have put in place, primarily in the last 2 or 3 years.

Mr. FAZIO. Where are you with the aftermath?

Mr. BOWSHER. This long-range plan is the aftermath. When we get it completed in the next 30 days, we will be back to talk with you and explain it all.

Mr. FAZIO. You don't expect any implications for the 1987 budget submission?

Mr. BOWSHER. We do. We have that additional money in there that will be utilized. And as I was saying, we think we have enough to go forward with whatever plan we finalize.

Mr. FAZIO. So, you are making an assumption about what will come to us?

Mr. BOWSHER. That is right.

Once we get the plan, and if it needs any changes—which I suspect it will—we will come back to you and explain how the money should be distributed.

Mr. FAZIO. Before the committee marks up the bill, there will be an opportunity for further discussion. We don't want to make decisions without the necessary information.

Mr. BOWSHER. We agree.

CONTRACTS WITH PUBLIC ACCOUNTING FIRMS

Mr. FAZIO. Can I just ask why you are spending a million dollars with public accounting firms? Some people would find this rather strange for GAO.

Mr. BOWSHER. I know some people do feel that way. When you think about what we do as far as financial audits, it is fairly limited. In other words, GAO had a great movement in the sixties and into the seventies of doing more and more evaluation work. What Elmer did there was absolutely right, and I think today we have great capability.

But when you look at the farm credit system, and what is happening there, and when you look at what is happening in the banks and FSLIC, we are stretched right to the limit on doing those financial audits with the people we have.

Mr. FAZIO. Aren't we all?

Mr. BOWSHER. We think we can go into some of these agencies, and if we have additional capability working with some of these CPA firms, we think we can get big payoffs.

Mr. FAZIO. Are your new hires designated to areas that would supplant the need to go to these firms?

Mr. **Bowsher**. We have a plan in the next three or four years to build up there, Mr. Chairman.

Mr. **Fazio**. So, you are going to be eliminating some of the contract work?

Mr. **Bowsher**. I would like to make that decision further down the road, because I think one of the questions will be whether we should do it all or whether it should be some combination of utilizing the private sector firms, the IGs and GAO and what the right mix would be.

This money is kind of an experiment to see how it all works. Then the big decisions will be made in 2, 3, 4 years down the road.

Mr. **Fazio**. Keep us informed.

I will submit questions for the record at this time.

[The questions and responses follow:]

CONTRACT SERVICES

Question. You are asking for +$6.8 million for contract services. Some ADP equipment and services are in this item, some in rent, some in equipment category.

For the record, tabulate your ADP plans and costs and provide comparative data with previous fiscal years. What are the costs for HIS?

Response. The program increase of $6.8 million is needed to meet increased demands for ADP services ($1,812,000), government contract services ($408,000), nongovernment contract services ($4,282,000), and relocation services ($250,000). In addition to these increases, we are requesting $112,000 in ADP time-sharing for the change in average positions and requesting restoration of the Gramm-Rudman 1986 reductions of $879,000 for computer and other ADP services and $350,000 for nongovernment contract services. We are also requesting price level changes of $366,000 in computer and other ADP services, $62,000 in government contract services, and $635,000 in nongovernment contract services.

Following is a comparison of GAO's FY 1987 request compared to FY 1986 post-Gramm-Rudman funding levels and prior fiscal years for government and nongovernment computer and other ADP services.

GOVERNMENT SERVICES

[In thousands of dollars]

	1984 actual	1985 actual	1986 adjusted for P.L. 99-177	Estimated 1987
Timesharing	1,038	1,296	1,191	1,388
Reference data bases	86	314	258	258
Printing/data entry	5	2	1	1
Specialized data bases				1
Administrative operations	147	151	180	318
Other computer services	26	62	4	74
Total government	1,302	1,825	1,634	2,040
HIS cost included in timesharing above	(160)	(211)	(314)	[1](314)

NONGOVERNMENT SERVICES

[In thousands of dollars]

	1984 actual	1985 actual	1986 adjusted for P.L. 99-177	Estimated 1987
Timesharing	153	245	304	672
Econometric modeling	324	179	162	292
Reference data bases	173	144	173	182
Printing/data entry	43	60	61	64

Nongovernment Service—Continued

[In thousands of dollars]

	1984 actual	1985 actual	1986 adjusted for P.L. 99-177	Estimated 1987
Specialized data bases	2	35	18	18
Administrative operations	2,906	3,244	2,962	[1] 4,206
Other computer services	5,785	1,560	1,121	2,129
Total non-government	9,386	5,467	4,801	7,564

[1] In addition, $400,000 of funding designated for "Administrative Operations" under non-government ADP services may be used to procure timesharing services from HIS for our interim financial management system.

Question. What other government and nongovernment services are included in this increase?

Response. The requested program increase includes funding for government contracts which directly support our audit and evaluation work through the provision of support from other federal agencies. This category also funds guard services, cleaning services and overtime utilities in our headquarters building and other locations under contracts negotiated by GSA.

It also includes funding for nongovernment contract services to: (1) obtain the services of experts to assist in our audit and evaluation work: (2) maintain our document handling and information services facility which provides Congress and the public with GAO reports and source books: (3) obtain the services of public accounting firms to supplement our skills and bring about a comprehensive audit of the financial statements of the federal government; and (4) relocation services for staff members involved in permanent change-of-station moves.

FURNITURE AND EQUIPMENT

Question. You are asking for +$6.7 million (over a $1.6 million base) for furniture and equipment. How much furniture needs to be replaced? Where located?

Response. Of the $6.7 million program increase requested, $4.3 million is needed for ADP equipment and software and $2.4 million is needed for office furniture and equipment.

The $2.4 million requested for office furniture and equipment will allow us to (1) replace worn and/or broken equipment and furniture; (2) procure appropriate furniture on which to place our microcomputers (those purchased in fiscal year 1985); and (3) procure partitions to reconfigure space as the renovation being done under the Heating, Ventilation and Air Conditioning Project (HVAC project) is completed. Our Facilities Modernization Program will provide for installation of the cabling and electrical capacity needed to accommodate the technological environment we are now working in. Thus partitions and furniture that are compatible with the new technology will be needed in both headquarters and the regional offices.

When this request was developed $4.3 million was included to fund (1) the purchase of ADP terminals, printers, controllers, modems and cabling for our interim financial management system; (2) the upgrading of equipment for evaluator use; (3) additional microcomputers for both professional and administrative operations; (4) and additional standard and nonstandard software for new microcomputers as well as the installed base.

As stated in the hearing, GAO is nearing completion of its 5-year ADP plan. Details of this plan are to be discussed with the committee before its finalization. Subsequent to that exchange, GAO anticipates that changes in the allocation of its fiscal year 1987 request for ADP equipment, software and services may be warranted.

Question. This account has run between $1 and $3 million over the past decade. In 1985 it jumped to $8.9 million and now you are requesting $8.6 million for 1987. Can you try to get this back to the lower level?

Response. Expenditures for equipment have increased in recent years due primarily to our effort to bring the staff up-to-date with the current technological environment in the ADP area and secondly our need to modernize our facilities to accommodate the new technology. We believe it essential to provide our evaluators with appropriate tools to perform their audit and evaluation work in the most effective and efficient manner possible.

Once these projects are complete, we expect to see a decrease in the funding needed for this account.

AFFIRMATIVE ACTION PROGRAMS

Mr. **Fazio**. Mrs. Boggs, did I see you asking for time?

Mrs. **Boggs**. Yes.

I simply wanted to note, the establishment of an office to supervise affirmative action and equal opportunity programs. Will this office have a role to play in recruiting qualified women and minorities to fill the additional positions you are requesting in fiscal year 1987 and additional positions already provided in fiscal year 1986?

Mr. **Bowsher**. Yes. This new affirmative action program is a major effort, and I have moved it out of a staff office to a line office under Frank Fee here. So, it is going to be in the contract of every line officer or leadership position in GAO today and we are going to have accountability.

In the old days, we had overall goals for GAO. But now we are going to have goals for each division, each regional office, and each staff office, and we are going to monitor it through the line management organization.

Mrs. **Boggs**. In providing opportunities for Hill experience, will the equal opportunity be extended to women and minorities?

Mr. **Bowsher**. Very much so.

Mr. **Fee**. We will be monitoring that.

Mr. **Bowsher**. We will be monitoring that as part of affirmative action and the contracts.

Mrs. **Boggs**. Thank you so much.

LEGAL COUNSEL FOR GRAMM-RUDMAN-HOLLINGS

Mr. **Fazio**. Tell us what the legal counsel is costing due to GAO's participation in the Gramm-Rudman suit.

Mr. **Socolar**. We don't have a firm figure for that.

Mr. **Bowsher**. It is being negotiated.

Mr. **Fazio**. Who will be representing GAO?

Mr. **Bowsher**. Lloyd Cutler and his firm. I will explain why we chose them. If we were going to go outside, which I thought was necessary, I wanted somebody who had argued cases before the Supreme Court.

I believe this is his eighth time there. I was always impressed by his work on the FEC, the Buckley case. He had helped Elmer on one of the impoundment issues when Elmer sought some legal advice, when it looked like they were going to the courts in the mid-seventies. I had worked with him on a constitutional case when I was in the private sector.

We thought he knew the GAO. He certainly had the experience, the prestige and the stature. We are more than pleased with his efforts so far, although we lost 3 to 0.

Mr. **Fazio**. As one of the 12 litigants, I am very pleased with his efforts, as well.

I do want that information supplied for the record when the bills are finally in.

LATIN AMERICA OFFICE CLOSING

I also have a question regarding the closing of the Latin America office. First of all, I was relieved to know it wasn't Florida. The committee indicated to you last year that we required additional information about this proposal. We also asked for some advance notice before any announcement was made.

One of our Members was particularly interested, Mr. Alexander, I believe, and it is my understanding we didn't receive any of that preliminary information. The budget submission hit us cold. Does that ring a bell with any of you.

Mr. **Bowsher**. I apologize.

Mr. **Fee**. I will have to check it for you.

Mr. **Bowsher**. We apologize. We will be over very quickly with the information.

Mr. **Fazio**. You did indicate you are doing work in Central America now out of different offices.

Mr. **Bowsher**. That is right. And we will continue to be able to do that. I know Mr. Alexander. We have done a great deal of work for him.

There will be no cutback in any requirements like that for the committees.

Mr. **Fazio**. We appreciate having not only the data about the elimination of that office, but some feel for how the work that was being done in that region and is going to be done in the future.

[The following was provided for the record:]

During the past year, GAO analyzed its program workload in its Latin America Office (LAO) to assess if changes in that workload warranted the retention of that office for the handling of future work. Our review confirmed that the principal reason for maintaining LAO was to perform the annual audits of the Panama Canal Commission.

The review team established that with a shift in division leadership and a refocusing of the work requirements, the amount of staff time spent on this commission work would be less than 10% of LAO's responsibilities. The review team also noted that all the other projects did not require staff on location permanently in Latin America and that this work could be performed on a temporary duty basis from offices in Washington and the regions.

The review team assessed the cost impacts of implementing its findings and concluded that closure of LAO was more cost beneficial than retaining it. As a result, we have decided to close LAO this year and bring our staff back to continental United States offices before September 30, 1986.

GAO will continue to provide full coverage of USA programs in Central and South America, but that work will be the lead responsibility of managers in Washington, D.C.

QUESTIONS FOR THE RECORD

Mr. **Fazio**. I also have a series of questions that come from another member of our committee, Mr. Obey, who couldn't be here today. He, on behalf of Mr. Hawkins and Mr. Jeffords, have a series of questions related to some of the education block grants.

[The questions from Mr. Obey and the answers thereto follow:]

Questions From Mr. Obey

Question. Does GAO have a policy of requesting that the results of the preliminary report not be revealed by the reviewers of the preliminary report before official release?

Response. Yes. Both the draft report cover and the transmittal letter which requests comments on a GAO draft report make it clear that (1) recipients of the draft must not show or release its contents for purposes other than official review and comment under any circumstances and (2) at all times it must be safeguarded to prevent publication or other improper disclosure of the information contained therein.

Question. Does GAO release information about any aspect of a study to interested parties outside of the original congressional initiators?

Response. On congressional request assignments, the wishes of the requester are controlling. If the requester asks that GAO not obtain either official comments or the views of responsible program officials, GAO will abide by this request. If the requester does not object to obtaining advance comments, GAO will request such comments from the organizations whose activities are discussed in the draft report or who will be affected significantly by the recommendations.

Question. Does GAO spend any of its resources informing interested parties about studies requested by the Congress that have not yet been released?

Response. GAO staff have been instructed to be very careful in responding to requests from the media and other sources for preliminary information about ongoing work, particularly when the work is being done in response to a congressional request. As a general rule, unless the requester's concurrence has been obtained, we will not discuss the substance of our request work until a final product has been released.

Question. What is the policy regarding the choice of who should be permitted to see or know about the findings in the preliminary report? Do you authorize GAO personnel to speak to interested parties about the results or methodology of a report that has been requested by the Congress before its official release?

Response. As noted previously, if a congressional requester does not want us to discuss our tentative findings, conclusions, and recommendations with the affected agency or organization, we will abide by this request. However, we believe that one of the most effective ways to ensure that our reports are fair, complete, and objective is to obtain advance review and comments by persons or by officials of the organizations whose activities are discussed in the reports. This enables us to produce a report which shows not only what we found and what we think about it but also what the responsible officials think about it and what, if anything, they are going to do about it. We believe that this kind of report is more useful to the recipient.

STAFF LEVELS

Mr. FAZIO. John, you said you had some questions that you might want to direct? I would like to yield to you at this time.

Mr. MYERS. Thank you.

We just finished the Chairman's eight pages. I only have five pages of questions.

Mr. FAZIO. I will be here until you finish.

Mr. MYERS. Of course, I am just a flunky down here. The Ranking Minority Member has seven pages. So I have his questions, too.

You know, this agency has concerned me for a number of years. When I first got here 20 years ago and I served on the Government Operations Committee, I just do not recall ever asking the General Accounting Office, through our committee, to do any evaluation or judgments for us. It seemed to me back then the responsibility of the Accounting Office was accounting, to look into the agencies where they are properly spending the money and not to make judgment calls for the Congress.

And I am not blaming you folks; I think it has been a gradual transition. But, to me, the responsibility given to GAO has gone way beyond the original intent of Congress. And I don't know what we can do about it at this time, but we have gone into oversighting and evaluation now, which I frankly don't know how we can afford.

I just looked at the number of people—I think I have asked them this before and don't remember—would you put it again in the record, for the last 10 years the number of personnel that you have?

Mr. **Bowsher**. Sure.

I might point out that we have hardly grown in the last 10 years. We had about 5,000 people 10 years ago, and that is where we are today. It has gone up a little bit and down a little bit. The net effect is that GAO is about the same size as it was 10 years ago.

[Clerk's note.—The following chart displaying the average position usage by fiscal year was provided for the record:]

U.S. GENERAL ACCOUNTING OFFICE

	Average positions—	
	Revised Estimate (budgeted)	Actual
Fiscal year:		
1978	5,144	5,144
1979	5,104	5,062
1980	5,275	5,196
1981	5,200	5,182
1982	5,042	5,027
1983	5,000	4,960
1984	5,000	4,985
1985	(1)	5,042
1986	5,100	
1987	5,200	

[1] 5,050+.

GSA RENTAL RATES

Mr. **Myers**. Looking at the specifics in your request here, standard level user charges has gone up rather significantly.

Mr. **Bowsher**. Yes, it has.

Mr. **Myers**. About $8 million?

Mr. **Bowsher**. That is what we get charged from GSA.

CONTRACTING OUT

Mr. **Myers**. Other services—and you were talking about contracts you have—up to about $32 million.

Is that contracting out some of your jobs? Is that what you are talking about?

Mr. **Bowsher**. We do not contract out our jobs except on rare occasions. It is very rare.

Mr. **Myers**. Tell us what the $32 million is for.

Mr. **Bowsher**. It is basically getting additional help to do the job. I draw the distinction because some agencies and some people do go out and hire people to do a job. At GAO, we will hire an economist; we will hire an agriculture expert; we will hire different people from time to time to help us do a particular job or, like what we are hoping for with these public accounting firms, to help us do portions of audits and things like that.

But generally speaking, the GAO product needs GAO work, and our outside people are specialists to whom we go to augment the talent that we have.

COMMUNICATIONS, UTILITIES, AND RENTALS

Mr. **Myers**. In communications, utilities and miscellaneous charges, there has been a significant increase here. Utility rates, however, generally are going up, but they didn't go up that much last year. All of a sudden they jump up about $4 million, which is about a 50 percent increase.

What accounted for this increase this year?

Mr. **Brown**. One of those is a change, since we submitted the budget, which we are going to have to change before markup. About $2.5 million of that is money that we had put in for a PBX. The Treasury Department was talking about a PBX system. They share our building with us, and they wanted us to go in with them.

Since we have gotten into our own long-range ADP plan, we have put all of that on hold.

Mr. **Myers**. Have you given the committee that information, how we can cut it down?

Mr. **Brown**. Yes.

LANDS AND STRUCTURES

Mr. **Myers**. The other one is lands and structures, about an $800,000 increase.

What are you buying? Land and structures? Or buildings?

Mr. **Brown**. That is basically renovation work that has to follow behind the removal of the asbestos.

Mr. **Myers**. That is part of the asbestos you spoke about?

Mr. **Brown**. Yes.

Mr. **Bowsher**. If I could explain a little further, unfortunately our building was built when asbestos was being pushed in the early fifties. So we are trying to take it out now. A floor at a time is going to be our plan.

We finally got the GSA to agree to that. As we do that, we have to move people in some cases out of the building. As we bring them back in, we are going to try to modernize that facility. By that, I mean getting enough electrical power to handle the computers of the future and the basic stuff so that we don't have to tear it up again to make those kinds of renovations for the future.

STANDARDIZATION OF ACCOUNTING PRINCIPLES

Mr. **Myers**. You spoke about your standardization of accounting principles and procedures. You have talked about this before. When I came to Congress years ago I had been just a country banker. When I got here, I saw all the hodge-podge of accounting and reporting. I couldn't believe that the Federal Government operates on such a varied, hard-to-understand and difficult-to-follow procedure.

I talked to OMB about it and to you folks, as well. Hell, I don't see any improvement after 20 years. You keep talking about it. Will Rogers once said, "Everybody talks about the weather, but nobody does anything about it."

Mr. **Bowsher**. If anything, it has deteriorated.

Mr. **Myers**. If you could do nothing else but that, you would be far ahead.

Mr. **Bowsher**. I agree, and we have put together a couple of booklets on this subject which I have talked to you about. I would like to do that because I think this is a major area that needs improvement. I don't see how people like yourselves, coming into the Congress, can understand the variety of budgeting, accounting, and special reports that are here today.

Mr. **Myers**. I will tell you why we have to stay here until 6 o'clock in the evening having to ask questions. We shouldn't have to. We should be able to look at a report——

Mr. **Bowsher**. I tried to go over and talk David Stockman into a major effort along these lines and got nowhere. One reason is that he had his set of black books, and he used to come here and try to persuade everybody he had the right numbers, and they used to spend a lot of time arguing over those numbers.

Now, I have my set of black books. The Gramm-Rudman procedure set the structure. GAO now has to decide which numbers are right—CBO's or OMB's. In this day and age, we ought to get a budgeting and accounting structure that everybody is using with the same numbers, and that everybody has access to.

As I told David, "David, you think you have control over all the numbers. I am telling you right now, having spent some time at the Pentagon, you haven't seen some of the real numbers." And I think he knew what I was talking about.

But it was getting close to the end of his tenure. He didn't want to make any changes. I think it is an area that needs change, and I think that Congress is the one that needs to insist on that change, because you are spending so much time trying to get through books like you have in front of you.

Mr. **Fazio**. Would you yield?

What do you suggest we do to break this impasse?

Mr. **Myers**. Set the example.

Mr. **Bowsher**. Congress ought to pass legislation that would lay out the responsibilities of who should come up with a new concept and design for a budgeting and accounting system. If you don't want to do the budgeting, you can let OMB do it—something like this is the only way to break the current impasse.

I used to think we could all work together. I no longer have that kind of hope.

Mr. **Fazio**. If I were to address such a request, would you be willing to receive it?

Mr. **Bowsher**. Absolutely.

Mr. **Fazio**. I invite you to formulate the question.

Mr. **Myers**. How many more people will it take?

Mr. **Bowsher**. We will not ask for additional people.

DUPLICATION OF WORK

Mr. **Myers**. Along that same line, it has always concerned me that we have similar reports done by the Congressional Budget Office. Do either of you look over each other's shoulders? Do you do anything for them?

Mr. **Bowsher**. We try hard to avoid duplication, and it is an important issue because nothing disturbs me more than to see something come out looking duplicative, but occasionally it happens.

One of our problems is that a lot of times the committees want each unit to study the same thing, and we tell them we think that is duplicative. "No, no, no," they keep insisting they want a GAO report or keep insisting to the CBO, but not too often now.

In other words, we have a procedure. All four units—OTA, CBO, CRS, and GAO—meet periodically at the fairly senior level and check out who is being asked to do what. We try very hard to avoid this duplication. It is a concern to me. Now, sometimes what looks like duplication is not duplication.

Let me illustrate that. A couple of years ago the B-1 bomber was the latest edition. If you remember, the Air Force said it could build the bomber for $20 billion, 100 of them, and some people were skeptical of that. So we were asked to study that cost estimate.

We have people in our Cincinnati office and our Dayton office who are really knowledgeable about these airplanes—the radars and engines and everything that goes into them. So they were able to do the study—and do it quite well—and point out where some things had been left out. That was one of the reasons you were able to stay within $20 billion.

Another committee asked CBO to take that estimate and turn it into what they call "then-year dollars". So all of a sudden, our report came out and announced what the problem was with the cost estimate, and then their report came out, and it really was on a separate issue. But the average person reading about it in the newspaper would think both of us had reviewed the cost estimates of the B-1 bomber.

So sometimes, as I pointed out, the apparent duplication is really quite different, although the appearance is there, and even that worries me.

Mr. **Myers**. Well, I am concerned about the duplication here. I was trying to look at a number of reports from the Congressional Budget Office. They don't do quite as many as you folks do. They did 60 last year.

Mr. **Bowsher**. I think a fair percent of them were on the budget, just like the estimates they issued on February 17th. They have a series of reports that are mandated in regard to the budget. So I am going to guess that they might be issuing only 40 reports a year over and above the mandated budget reports.

ENERGY AND COMMERCE COMMITTEE

Mr. **Myers**. You talked about committees, I was looking here at a report of the committee activity request, and it looks like between the Energy and Commerce Committee and the Government Operations Committee that that accounts for about half of the reports that you are required or asked to do each year, just almost half of them. I can see Government Operations, again back when I was in Government Operations, they had a lot of people working over there. Energy and Commerce, though, is the biggest one of them all.

Mr. **Bowsher**. That is Chairman Dingell.

Mr. **Myers**. About a third of the reports come out of that committee. It seems to me like that is a heavy workload out of one committee out of the standing committees of the House. One-third of your requests come from one committee.

Mr. BOWSHER. It is definitely our biggest requester, there is no question about it. We review them, but on balance those reports are——

Mr. MYERS. Would you, for the record, put in the number of requests you received in the past year from that one committee?

Mr. BOWSHER. Sure.

[The information follows:]

In fiscal year 1985, GAO received 37 requests for work from the House Committee on Energy and Commerce. These requests, in some instances, resulted in the completion of more than one product.

OVERSEAS WORK

Mr. MYERS. Government Ops, I tried to find out how many people they have working over there, investigators anymore, but we have a request for 871 committee employees, standing committee employees, plus 23 of our own in studies and investigations doing similar work to yours. I see so much duplication here. It disturbs me very much.

How many people have you got working out of the United States right now?

Mr. BOWSHER. We have 33 in our Far East office.

Mr. FEE. We have about 93 people, including our Panama City office located outside the continental United States.

Mr. MYERS. Panama City, Panama?

Mr. FEE. Yes; that office has about 15. Frankfurt, Germany has about 45, and Hawaii has about 33.

Mr. MYERS. What kind of assignments do they handle?

Mr. BOWSHER. Mostly Defense and AID programs.

Mr. MYERS. They are permanently stationed there?

Mr. BOWSHER. Yes. For example in Europe, when the Army was bringing in the Bradley fighting vehicle and the M-1 tank, we were asked to review what were the inventory controls, what were the spare parts. Those were very significant jobs and very worthwhile jobs checking out the controls on the introduction of those new weapon systems. Big inventory bases are over there and it is important that the financial controls are in place.

We have big regional finance centers in Europe, and the State Department has a big one in Paris, so that is the kind of work our people are doing.

Mr. MYERS. The whole world knew we were putting Bradleys and later on missiles in Europe. What did you save us?

Mr. BOWSHER. I think the problem is, just like the problem in the States, how good is their control over the inventories, over the spare parts, and everything that goes in? Eighty percent of the federal dollar is spent away from Washington, and a certain percent of that is spent overseas. If the GAO is to look at where the money is being spent and how well the programs are working, we have to look at it where it happens and that includes activities overseas.

Milt was overseas in our office in Europe, so maybe, Milt, you can add to this.

Mr. SOCOLAR. Well, at the time I was overseas, the issues were quite different from what they are now.

Mr. MYERS. Me too.

Mr. SOCOLAR. I was there during the 1950's, during the big offshore procurement programs, and all of the bilateral agreements with the countries of Europe were in process.

As Mr. Bowsher says, a great deal of decision making goes on with regard to how funds are spent overseas—and a lot of it not terribly wisely—and it takes people on the spot who get to know the operations over there to be able to go in and report those kinds of things.

Mr. MYERS. You can report it, but you can't do anything about it, you have to recommend back to Congress.

Mr. BOWSHER. That is right.

Mr. MYERS. Give me some examples, specifics.

Mr. BOWSHER. I will give you examples of reports on our aid programs, military as well as economic aid, to several countries: Israel, Egypt, Jordan, Saudi Arabia. I don't know whether you have read any of those reports, but I think they are the finest recap of where the American dollars have gone. I don't think anybody else but GAO could have pulled them together. And we had to go overseas to do some of that work.

So if I could send you a few of those reports to show what kind of work we are doing overseas. We try to keep these overseas offices to a minimum because I truly believe that today we can fly people over very quickly. That is the reason I want to close the Panama office. At one time, GAO had a lot of offices overseas.

Mr. SOCOLAR. We had five in Europe alone.

Mr. BOWSHER. We are down to one in Frankfurt and one in Hawaii, which is not exactly out of the country. So you might say we are going to have only one overseas office. That will be Frankfurt. And we do work in the Middle East, Africa, and Europe out of Frankfurt.

Mr. MYERS. Far East?

Mr. BOWSHER. One of the biggest jobs we did in this last year was the security of embassies.

Mr. FEE. It was done by our staff overseas. They went to physically inspect the security.

Mr. BOWSHER. There were people in Congress questioning whether we needed to spend the money.

Mr. FAZIO. There seems to be too many now.

CHEMICAL WARFARE

Mr. SOCOLAR. You mentioned before the fact that we can't do anything about what we find but report it, and I think that is a good example of where that takes the United States—the work that we did on chemical warfare, for example, and our report that result ultimately in the Congress deciding not to fund any further activity in that regard.

Mr. MYERS. What did you report on that?

Mr. SOCOLAR. That there were serious problems, and that a lot of the information coming from the Department of Defense wasn't exactly reliable.

Mr. MYERS. Did you go to Russia in your chemical reporting?

Mr. BOWSHER. No.

Mr. MYERS. Where did you go? They are the only major country making chemical weapons today.

Mr. BOWSHER. We were not assessing their program, we were assessing the information Defense was sending to the Congress on how it was going to go forward with a new $8 billion program.

Mr. FAZIO. The Big Eye?

Mr. BOWSHER. The Big Eye, that is exactly right. We were asked by Congress to check the facts that were being sent along to support that request, and as Milt points out, when we did go into it, we found some problems. That was part of the debate in the Congress, and certainly everybody had a turn, including the Defense people.

QUALITY OF REPORTS

Mr. MYERS. I have read some of your reports, and I must honestly say I haven't thought much of them, knowing what I know from my own experience.

I wonder what expertise and what experience you have in the field that you are reporting on. Military preparedness is one of them. I remember some reports on the Reserve and Guard forces. I spent time both on active duty and in Reserve, and I will put my Reserve units against any active duty unit. In some of the tests that we had last year, with Reserves competing against active duty, the Reserve forces have done consistently much better. Yet the reports I have read out of your office wouldn't indicate that would be possible.

Mr. BOWSHER. Are these recent reports?

Mr. MYERS. Maybe not recent, but you don't prepare a person to be a gunner in two months either.

Mr. BOWSHER. Let me look into that area for you.

[The information follows:]

MILITARY PREPAREDNESS

To a large extent, GAO's work products are related to specific requests from committees and members of Congress. Within the agreed boundaries of such requests, GAO staff develops approaches to its work which are designed to satisfactorily address the request within the needed timeframe. For the remainder of its work, GAO exercises its best judgment, considering a number of factors including known and anticipated congressional interests, in deciding what subject matter to address and how to address it. This diversity of assignment sources helps explain the broad range of products GAO issues, from single issue, descriptive reports to highly sophisticated analyses of complex issues.

Our in-depth evaluations on military preparedness subjects are usually classified. Similarily, much of our work overseas of a detailed, evaluative nature involves foreign policy and national defense issues and, when this work is detailed and evaluative, it too is usually classified. Just to quickly illustrate our preparedness, reserves and overseas work, listed below are a few examples of both classified and unclassified reports which used a variety of analytical appraches:

Navy Tactical Air Forces—Readiness, Deployability and Implications for Decisionmakers (GAO/C-NSIAD-84-1), October 31, 1983.

Flying Hours for U.S. Air Forces in Europe Exceeding Logistical Support Capability and Reduced Reported Readiness (GAO/C-NSIAD-85-1), January 8, 1985.

Reductions in U.S. Costs to Station Forces in the Federal Republic of Germany and the United Kingdom Are Unlikely (GAO/NSIAD-84-130), July 31, 1984.

U.S. Assistance to the State of Israel (GAO/ID-83-51), June 24, 1983.

Providing Effective Economic Assistance to El Salvador and Honduras: A Formidable Task (GAO/NSIAD-85-82), July 3, 1985.

Improvements Needed in UNESCO's Management Personnel, Financial, and Budgeting Practices (GAO/NSIAD-85-32), November 30, 1984.

Alternatives for Equipping the Army's Reserve Components (GAO/NSIAD-86-35BR), December 31, 1985.

Better Followup Can Reduce Equipment and Facility Problems Affecting Army Guard and Reserve Training (GAO/NSIAD-84-29), November 10, 1983.

Problems in Alerting and Preparing Army Reservists for Mobilization (GAO/NSIAD-84-52), February 27, 1984.

CLOSING REMARKS

Mr. Fazio. Do you have any comments to make as we conclude the hearing?

Mr. Bowsher. My only comment is one I made at the beginning of this hearing, that we appreciate very much the support this committee has given us and the working relationship we have had, and we hope to continue that and to merit your support.

Mr. Fazio. While we have some problems to work through, we would like to keep on working toward our common goals.

Thank you.

THURSDAY, FEBRUARY, 27, 1986.

JOINT ECONOMIC COMMITTEE

WITNESSES

REPRESENTATIVE DAVID R. OBEY, CHAIRMAN
R. SCOTT LILLY, EXECUTIVE DIRECTOR
ROBERT TOSTERUD, DEPUTY DIRECTOR

Mr. FAZIO. We will now take up the Joint Economic Committee. We welcome our ranking Democratic Member, and Chairman of the Joint Economic Committee, Congressman Dave Obey, and Scott Lilly, the staff director and old friend.

There is a letter in the committee files containing the budget justification. It has been inserted in our separate justification print.

The budget request is for $2,836,000. The post sequesteration level for fiscal year 1986 appropriation is $2,530,000.

At this point, I would be more than happy to accept any statements for the record and ask Dave to explain the request.

Let me say that, without any criticism of your predecessors, your chairmanship of the committee has produced an excellent dialogue on economic matters and has been particularly helpful. I am happy to see the work that is being done on some very important issues that face the Congress. Let me personally thank you for the job you are doing.

COMMITTEE AGENDA

Mr. OBEY. Thank you. I would like to introduce Bob Tosterud, who is the Staff Director on the Senate side of the Committee.

Mr. FAZIO. Bob, nice to have you with us.

Mr. TOSTERUD. Thank you very much.

Mr. OBEY. Bob represents Senator Abdnor, the Committee's Vice Chairman.

Mr. Chairman, you have already indicated what the dollar request is on the part of the committee this year. Let me simply say that the committee is in the process of a very active year. This is the 40th anniversary of the passage of the Employment Act. We began the year's activities with a very large symposium which gathered together about 40 participants from all over the country and over four hundred people attended listening and discussing what we have learned, the problems we have gone through, and what it means for the future.

The committee has a very special role this year. For instance, we will be consumed with the day to day arguments on the budget. We are focusing our discussions of economic policy. We have a tendency, because we have to pass the budget each year, to focus only on the budget as it relates to economic issues when in fact what we need to be looking at, to a much greater degree than we are, is the whole question of what is happening in this country in the long term, and what are the trends under the surface that you don't notice.

Mr. FAZIO. Somebody needs to be doing that.

Mr. OBEY. The committee, for instance, published three studies which indicated that since 1973, neither party has learned how to run the economy in a way that maximizes economic growth and maximizes inflation.

A number of other similar studies are in the works. My own frank view is that the Joint Economic Committee has been hampered in its ability to do its job because for more than ten years it has not had an increase of a single person on its staff. I don't think any other committee in this place can make that statement. I will not be chairman when this budget is being spent, as the chairmanship will revert to the Senate side and if partisan realignment remains the same, there will be a Republican Senate Chairman next year.

Institutionally, however, the committee needs additional staff assistance in the form of economists, who can wrestle with all of these underlying questions of demographics. We are having a gradual shrinking of the ability of the government to gather and analyze a wide variety of statistical data that relates to our future economic performance and our present economic condition.

Let me stop at this point and answer whatever questions you might have.

[The statement of Mr. Obey follows:]

Statement of
David R. Obey, Chairman
Joint Economic Committee
before
Subcommittee on Legislative Branch Appropriations
House Appropriations Committee
Thursday, February 27, 1986
2:00 p.m.

Mr. Chairman, I am pleased to testify in behalf of the Joint Economic Committee and its budget submission for fiscal 1987.

As you know, the Committee along with the President's Council of Economic Advisers was created by the Employment Act of 1946 almost exactly 40 years ago today. I believe the Congress and the country are in as much need today for institutions like the President's Council and the Joint Economic Committee as it was 40 years ago during the difficult transition from a war to a peace time economy.

In 1946, we realized that we were about to face enormous and fundamental economic change. There was considerable fear that that change would plunge the country back into depression and high unemployment.

Today we face a new set of challenges. Much like the situation we found ourselves in in 1946, the one thing on the horizon that is most certain is that we are entering a period of rapid and fundamental economic change.

Probably the largest change that will take place in the U.S. economy will be our continuing integration into a worldwide economy. We know that that change can be very tough on people who have made their living in the textile or shoe industries but we don't really know how it will effect Americans generally.

A second change is the way we as a society will handle the enormous growth we are experiencing in both public and private debt. All of us as Members of Congress are familiar with our federal deficit and debt problems. But we have a parallel yet less widely recognized problem with personal dett and corporate debt.

Households in this country owe three times as much today as they did ten years ago. In the first two quarters of 1985, household debt grew at an annual rate of 21 percent.

Equally troubling is what is happening with corporate debt American corporations now owe a total of $1.5 trillion and their debts now exceed their total net worth by 12 percent.

Much of this new debt is held by foreigners. Within months of becoming a net debtor nation, we became the largest debtor amount all nations. Some projections show our external debt reaching a trillion dollars by the early 1990s. While it is clearly preferable that we own part of other nations rather than have other nations own part of us, I don't think there is a great deal of breadth or depth to our understanding of the implications of this new debt situation we find ourselves in.

We are also facing rapid change in terms of technology and the impact which technology has on our competitive position in world markets. We are finding that the growing integration of national economies is placing new strains on our system of currency exchange.

We will soon be undergoing some fundamental changes in the make-up of our own labor force. We have absorbed an enormous number of entry level people into the labor force over the last decade. Now we are entering a period which for demographic reasons there will be few young people entering the labor force.

While other committees of Congress are involved in the detailed work relating to many of these issues, our job is quite different. Not having legislative responsibilities gives us a chance to look at the whole picture and how all of these problems interrelate. That is something that the Congress in my opinion is doing far too little of. Every year it seems to me that we are working harder and every year we spend more time on narrower and narrower issues.

The Joint Economic Committee has the responsibility of trying to keep us all aware of the bigger picture and how all of these things relate to one another--to see things in the long term and less from the more narrow perspective required in most of the day to day work of the Congress.

The request which Senator Abdnor and I submitted to the Financial Clerk of the Senate last September was for $2,836,000 and 51 positions. That is an increase above the $2,644,000 appropriated for fiscal 1986 and also above the $2,530,000 which will be available to the Committee following sequestration. It represents an increase of five staff positions.

Senator Abdnor and I recognize that conditions have changed and that this subcommittee is under enormous pressures from all sides. We think that the work we are doing is very important and that we truly do not at present have the resources to address all of the issues which we should be looking at. We would draw your attention to the fact that the Joint Economic Committee has not added a single additional staffer in more than a decade. That is, I believe, as frugal a record as you will find as you go down the all purpose table. But, we realize it is a year of difficult choices and we are prepared to do our part when it comes to putting together a viable legislative branch spending bill.

I would be pleased to answer any questions.

STATEMENT OF
SENATOR JAMES ABDNOR, VICE CHAIRMAN
JOINT ECONOMIC COMMITTEE
BEFORE SUBCOMMITTEE ON LEGISLATIVE BRANCH APPROPRIATIONS
HOUSE APPROPRIATIONS COMMITTEE
THURSDAY, FEBRUARY 27, 1986

Mr. Chairman, I am pleased to have this opportunity to join my colleague and Chairman of the Joint Economic Committee, Congressman Obey, in presenting the Committee's budget request for Fiscal Year 1987.

As I see it, Chairman Obey and I have a dual responsibility before this Subcommittee with respect to the JEC budget.

First, we are obligated to give you our best informed assessment as to what resources are needed to do our job -- to fulfill the statutory and traditional responsibilities of the Joint Economic Committee. The job of the Joint Economic Committee is in proportion to the challenges facing the U.S. economy. That estimate with Chairman Obey's justification, has been provided to you.

But we are also obligated to share in the burden of reducing government spending and the deficit. As valuable as the work of this Committee is, I cannot and will not plead a case for exempting the Joint Economic Committee from absorbing its share of budget cuts.

Last December I voted for the 1985 farm bill, explaining to my many farmer-constituents that we needed to learn to do better with less. In my judgement this is a lesson that all of government must learn, including the legislative branch and the Joint Economic Committee. In fact, many people back home believe the first cut in government spending should be congressional salaries.

Mr. Chairman, I and other Republican members of the Committee strongly believe the JEC plays a vital role in assisting Congress as it wrestles with the critical and complex economic issues of today and tomorrow. It provides a bipartisan, professional analysis of the key economic questions facing this country in the years ahead..... Thank you.

SEQUESTRATION JUSTIFICATION

Mr. **Fazio**. How did you handle the Gramm-Rudman sequestration of $114,000?

Mr. **Obey**. Basically, we have tried to protect as much as possible actual personnel costs. We have made a decision that we are going to have to squeeze further on things like field hearings, printing, telephone usage, everything except the basic work that the committee has to do in terms of research.

COMPUTERIZATION OF COMMITTEE

Mr. **Fazio**. Last year you were having some difficulty acquiring a computer through the Senate Rules Committee. Have you been able to resolve that problem?

Mr. **Obey**. I wish I didn't have to answer that question. As you know, the committee requested authority last year to reprogram $180,000 for purchase of a computer system. What finally happened—to make a long story short—is that the Senate indicated that even though that was the cheapest way to proceed, they insisted that we purchase a system from one of their three vendors.

Rather than have no system at all, we agreed to that. But the problem is that the system is sight unseen. We really don't know how it is going to work, and the other basic problem is that it will wind up costing about $157,000 more than the computer system that we originally requested.

Mr. **Fazio**. Why did the Senate Rules Committee have jurisdiction over this issue?

Mr. **Obey**. I question whether they did, but as a practical matter, they sent a notice to the Financial Clerk of the Senate that they simply would not support the issuance of a check for the other process. I really believe it might be well for this subcommittee to become very active in looking at computer and telephone procurement in both bodies without any special regard for comity between the two Houses.

I think it is outrageous that the Senate Rules Committee tried to tell a committee chaired by a member of the House, that we have to follow the Senate procedures even though that means it is less efficient in terms of our ability to work. It also means that we would not be using the same kind of intermeshing system that is used by CBO and the Office of Technology Assessments.

Mr. **Fazio**. Do you want to have your system compatible with theirs?

Mr. **Obey**. Yes sir.

Mr. **Fazio**. That makes a great deal of sense.

Mr. **Obey**. The problem with the system is that it is sort of a jerry-rigged system. We don't have it yet.

Mr. **Fazio**. Will you be able to interface with the other systems?

Mr. **Obey**. We hope that we will. We simply aren't certain.

Mr. **Fazio**. Would you be able to share data with the Joint Taxation Committee?

Mr. **Lilly**. They have a very large main frame that was paid for by the House. I would expect that you could develop compatible software to go back and forth but we don't know. The problem is that the Senate vendor that develops this PC only announced the release of the computer in August and no one, including the staff of the Senate Rules Committee, has ever seen one. But we are told that that was the only thing that they would permit us to get.

These PCs are rarely compatible to 100 percent, so you don't know exactly where that half a percent of noncompatibility is going to mess up your program. When you unload a table from CBO that has 1,000 numbers in it, you don't know whether there is one that didn't copy out because of the differentiation in the compatibility.

COMPATABILITY OF SYSTEMS

Mr. **Fazio**. This committee has gone on record repeatedly in favor of a comprehensive telephone communications system for all entities of the Legislative Branch. Communications and computers systems are most effective when compatible, thereby eliminating the replication of data.

It is our goal to reduce maintenance and operation costs of both kinds of communications systems.

Mr. **Obey**. There is a very basic question of House prerogative. The problem we have is that the committee in large part is housed on the Senate side of the Hill. The Senate wants us to follow the same procedures which are followed by other Senate committees, even if that means it is much more inconvenient in terms of our functioning as House members. If the issue had developed on the watch of a Senate chairman, I really wouldn't have liked the result in terms of cost, but I wouldn't have objected because it was a Senate chairman dealing with the problem. We are trying to pursue a policy which would save over $100,000. We are told that there isn't any reason why the Committee shouldn't have the system except that if we had the system then other Senate committees would want to go to different vendors. I find that reasoning a little weak in the instance of a joint committee.

ALLOCATION OF JOINT FUNCTIONS

Mr. **Fazio**. We made an allocation in the FY 1986 Appropriations bill to certain joint functions of the Senate and the House. I am concerned that there is a lack of flexibility and common sense in this system and I regret that you were exposed to that.

Mrs. **Boggs**. Why do you have to go to just one vendor in the Senate?

Mr. **Fazio**. One of three.

Mr. **Obey**. They have three vendors in the Senate and so their argument is, if we make an exception for you, then we have a dozen other Senate committees who would prefer different systems and would be coming in and asking for the same treatment.

My argument is that that is a Senate problem. I am not interested in trying to interfere with the way the Senate does its business. I don't think the Senate has a right to dictate to a joint committee, especially in the two-year period during which that committee is chaired by a House member, and especially when the process that we were suggesting would have saved $180,000.

Mrs. **Boggs**. What were the circumstances that make it necessary to deal with only three vendors in the Senate?

Mr. OBEY. I really don't know. I assume what the Rules Committee is trying to do is to prevent people from getting a wide variety of computer systems which don't mesh with each other, ending up under quality assessment, and I don't argue with that. What I do argue with is the Senate's arbitrary decision to require a joint committee of co-equal bodies within the Congress to abide by a Senate judgment when it costs us more money than it would otherwise cost.

Mr. FAZIO. If you would yield, Mr. Obey. Wasn't the Senate standard designed for offices of the Members?

This is a different kind of purchase. It is not a file maintenance system, but entails more sophisticated economic data. This contract should have been allowed to go out for broader procurement.

Mr. LILLY. The same problem that we have had with the Senate Rules Committee is now arising with a whole host of Senate committees and that may be one reason they were so sensitive about it.

Mr. FAZIO. Well, I regret that there is not much we can do at this point.

COMMITTEE STAFF JUSTIFICATION

Mr. FAZIO. You have asked for five new positions in your 1987 request. Could you describe the prospective duties of these individuals and how quickly you think you need the funding? Obviously we are under a tremendous amount of pressure to reduce funding.

Mr. OBEY. I recognize your problem and I know that you are going to have to operate within the context of larger realities. As the person who, in presenting this budget and is in effect the outgoing chairman, will not be directing the committee when the budget is underway, it is my obligation to lay out what I believe the committee's needs are to do its job.

I think that expectations about our ability to understand what is happening in the economy have risen so dramatically, especially as this economy has become more and more internationalized. This means that we simply need to add a number of additional economists. These are not people who would necessarily be doing research themselves. What I would do, if I were chairman when they were put to use, is use these additional people to organize outside expert opinion on a wide variety of areas.

There are a lot of people in universities all over this country who can get the right paper for you to do research, because they like to participate. We need more resources to find people who really know what they are talking about in some of these esoteric areas. The committee, for instance, has been able to do that on a very selective basis. In analyzing the Soviet economy, we published a number of reports this year on Eastern European countries' economies, demonstrating how the Soviets have been draining them to finance their own economic aims. We would like to be able to do that in a wide variety of other areas. and that is how we envision using the additional economists as staff resources.

ADDITIONAL STAFF

Mr. FAZIO. How long has it been since you have had a staff addition to the committee?

Mr. **Obey**. Ten years.

Mr. **Fazio**. This is not a committee that is known to have a burgeoning overgrown staff?

Mr. **Obey**. No, sir.

Mr. **Lewis**. David, what is the Vice Chairman's view? Is he in agreement with this request for five additional positions?

Mr. **Obey**. I think, if you read his statement, what you will see is that he is——

Mr. **Lewis**. If you will summarize it for us.

Mr. **Obey**. He has a very short statement.

In a one-paragraph statement he makes the same point I do. He doesn't expect the joint committee to be exempt from any general approaches taken by the Congress as a whole, we recognize the problem you have. But it is our responsibility to spell out what we think is needed to do a first-rate job. I also want to mention a conversation you and I had on the floor at one point about one of the studies we did.

Mr. **Lewis**. I wasn't going to mention it. Please don't stir my recollection.

Mr. **Obey**. I wanted to because that related to some concern on the minority side about one study we put out on family income. The fact is, we put out three studies and each of them pointed out that over the last ten years—that isn't the Reagan Administration, that is Reagan, Carter and one year of Ford—we have really had a serious problem in productivity, in declining family income, part of it due to demographics, part due to the fact that the economy simply hasn't grown the way it should be growing since the oil crunch and——

Mr. **Fazio**. Part of it was tax policy.

Mr. **Obey**. Yes. Those are the kind of things happening over a decade or two decade period which we need to focus on.

COMMITTEE FRAMEWORK

Mr. **Lewis**. As long as we raised the question, I may come from a different point of view, David, but I'd like to ask you a question. As I look at the breakdown of personnel and salaries, I was going to ask you about the Democratic staff director. Not because I know the person or care how much the person makes, but one of my frustrations is that out on the floor especially, we find ourselves in Democratic-Republican knee jerk boxes that are not very helpful to this kid from San Bernardino trying to analyze issues. I don't need economists with labels on their forehead, because they are so difficult to understand.

One of my problems which faces Congressmen is conversing with them. I need help that is ideally nonpartisan which takes me away from the established preconceived notions. That is why I express my grave concern about our pointing out that—I like this President or I don't like that one—using the system, if you will. I am very much opposed to that, and I hope that you catch me if I violate that tenet myself, which I probably will do.

I don't know why there is a Democratic or Republican Director in the Joint Economic Committee. That is a real concern in ongoing two-House committees that are designed to serve the membership and people and not parties.

Mr. OBEY. We are in a very different situation than most committees. We do not have a majority on the committee. Nobody has a majority. There are ten Democrats, ten Republicans, ten Senators, ten House members. The staff is divided so there is an equal division between the Senate and the House.

Mr. LEWIS. Is there a Republican staff director? I hope not.

Mr. OBEY. No, it isn't a Republican staff director or a Democratic staff director, it is really a matter of terminology—it is really the Senate versus House. That is the way I look at it.

Bob works for the Republicans on the committee but he works under a Senate Republican Vice Chairman. Scott directs the entire committee in its operation. The person who serves as a more or less coordinator for the activities of the Democrats on the committee is Don Terry. There is a dispersal of duties, but a wide variety of members of the committee can ask for studies, release the studies, and hold field hearings.

Interestingly, there have been 14 field hearings held by Republican members of the committee. There have been three field hearings held by Democratic members of the committee. People are free to explore whatever issue area they think is most important in terms of surfacing knowledge for use by the Congress. We try to run it very collegially so that everyone has the ability to pursue what they think is something that might be overlooked.

Mr. LEWIS. I don't want to overstate, it really is a bias of mine.

Mr. LILLY. There are, as is true in any committee that I have had any association with, staff that tend to respond more to the Republicans and others more to the Democratic members. One example, to the contrary is Bob. He is the Committee's Agricultural expert and there is no one generally responsible to the Democrats who has his credentials or background in agricultural economics. On several occasions Bob has gone to Indiana for Mr. Hamilton and helped set up farm hearings. He has been very helpful to the Democratic side.

I think that Paul Manchester, an econometrician, is another example. He is on the Democratic staff but he does work on projects for both sides. So it is less of a clear line than it might look like on that sheet.

Mr. MYERS. Why do we have a Democratic staff director? If it is equal, why do we have to have one? That hasn't been answered.

Mr. OBEY. John, the Joint Economic Committee is unusual because in 1980 the Republican Party took control of the Senate. Up until that time, you had a majority of Democrats in both Senate and House on the Joint Economic Committee, so there was minority staff and there was majority staff. In 1980, it created a situation in which nobody had a majority. It was decided the best way to deal with the situation was to keep a certain number of people who do the administrative work of the committee, then divide the research staff on the committee equally between the Senate and House Republicans and Democrats. That was the most gentlemanly way of working it out.

Obviously on the committee you are going to have very strong differences of opinion between someone like me and someone like

Steve Symms. They are going to want to know they have access to staff who are pursuing their interests and I can't argue with them.

Mr. Myers. Using that explanation, I presume prior to 1980 we had a Republican staff director. We are not concerned about minority having a voice then, are we?

Mr. Obey. I guess I don't get your point.

Mr. Myers. You said the Democrats feel better to have a Democratic director. Did the Republicans have a Republican director?

Mr. Obey. I didn't say that. I said that in 1980, the Republicans took control of the Senate and that meant they had 50 percent of the committee and we had 50 percent of the committee. They wanted 50 percent of the staff resources. That is what they have got.

Mr. Lewis. I may be taking us off on a track; I don't mean to.

Mr. Myers. I don't follow it.

Mr. Lewis. I come here with less expertise in economics than some of my colleagues, but I hope in areas that the reason we have got a Joint Economic Committee or other advisory committees, is to find the best possible people to give economics advice and counsel and has nothing to do with being a Republican or a Democrat. Some Democrats in the House and in my district are more conservative than I am as a Republican. I have problems when party labels are affiliated with consultation and in-house advice.

CLOSING REMARKS

Mr. Fazio. I believe we have made our point.

Mrs. Boggs. The response I like best that appeals to me last year was the woman who said she always voted Republican and she always voted for Lindy Boggs.

Mr. Fazio. Unless there are questions on other matters, we have completed our hearings on the budget and, as a member of the committee, Mr. Obey, we will be in close contact with you as we develop the budget for the Joint Economic Committee.

Thank you very much.

The committee has a question to be answered for the record.

[The question and response follow:]

REVISED FY 1986 APPROPRIATION

Question. Provide a schedule showing the areas that will be cut by the amount of the sequestration of $114,000.

Answer.

	FY '86 before sequestration	FY '86 after sequestration
Full-time payroll	$2,119,010	$2,092,900
Agency contributions	230,000	205,000
Reimbursable detail, contracts	100,000	100,000
Total salaries	2,449,010	2,397,900
Expenses for hearings	70,000	50,000
Staff travel	36,000	21,000
Telephone and telegraph	23,000	20,000
Subscriptions, books	28,000	20,000
Stationery	28,000	15,000
Equipment	1,800	100
Petty cash	8,190	6,000
Nonpersonnel totals	194,990	132,100
Total	2,644,000	2,530,000

THURSDAY, FEBRUARY 27, 1986.

COPYRIGHT ROYALTY TRIBUNAL

WITNESSES

COMMISSIONER EDWARD W. RAY, CHAIRMAN

CHRISTY BLACKBURN-RODRIGUEZ, CONFIDENTIAL ASSISTANT TO CHAIRMAN RAY

Mr. FAZIO. We will now take up the Copyright Royalty Tribunal.

The Copyright Royalty Tribunal FY 1987 budget request is $833,000 of which $149,000 will be from appropriated funds and the balance will be receipts collected by the Copyright Owners Fund. That reflects the policy decision that was made several years ago.

We would like to welcome Mr. Edward Ray, who is the Chiarman of the Tribunal. Mr. Ray was appointed to the Commission in February of 1982, and reappointed in December of 1985. This is his second term as Chairman. There are three Commissioners on the Board at the present time. In addition to Mr. Ray, there are Mr. Mario Aguero, and J.C. Argetsinger, who was recently appointed in October 1985.

We would like to welcome you, Mr. Chairman, and we would also like to welcome Christy Blackburn-Rodriguez, who has provided a good deal of continuity. She is now your Confidential Assistant, and has played a role in terms of liaison with our committee through a number of other people who have been appointed to the tribunal.

Mr. Chairman, at this time, we indicate we would be happy to have you meet those members you haven't met before. Do you know all of the members?

Mr. RAY No, I believe this is the first time I have appeared before these particular members. Even though Congressman Lewis was a member of the subcommittee, but I don't believe we've met.

Mr. FAZIO. And Mr. Myers. We all join in welcoming you at this time. Please give us a little background on your experience and qualifications, we will insert in the record the biographies of the Commissioners and key staff.

[The biographies follow:]

COMMISSIONER EDWARD W. RAY, CHAIRMAN

Edward W. Ray is from Los Angeles, California. He received an AA degree in business administration from Los Angeles City College and a bachelor of professional studies (major in commerical music and media communications) from Memphis State University. He completed advanced real estate studies in appraisals, marketing, finance and taxation from UCLA and Los Angeles City College.

He has had a successful professional career as a music/entertainment executive in Hollywood, California and Memphis, Tennessee. During his career he served as vice president of Capitol Records, Inc., MGM Records, Inc., Pierre Cassette/Burt Sugarman Television Production Company and was president of Eddie Ray Music Enterprises.

Mr. Ray founded and operated a vocational school, The Tennessee College for Recording Arts, as a division of Eddie Ray Music Enterprises.

He was appointed by President Ronald W. Reagan as a commissioner of the Copyright Royalty Tribunal in 1982. Chairman Ray previously served as chairman from December 1, 1982 to December 1, 1983. In addition, Mr. Ray has twice served as Acting Chairman.

COMMISSIONER MARIO F. AGUERO

Mario F. Aguero was born in Cuba. He received a bachelor's degree in science and letters from the Camaguey Institute, and a degree in business administration from Havana University. He came to the United States in 1960 and is a naturalized citizen.

Mr. Aguero has had a long career in entertainment. From 1950 to 1961 he was President-Owner of Caribe Artists Corporation which was dedicated to booking talent in Cuba, South America and the U.S. From 1953 to 1955 he was General Director of musical entertainment for all television programs on Channels 2 and 4 in Havana Cuba. He was sponsor and personal manager of the Roberto Iglesias Ballet Espanol. He presented Roberto Iglesias and his Ballet Espanol at Carnegie Hall in New York, and in association with Sol Hurok Attractions, he introduced Roberto Iglesias at the Broadway and Winter Garden Theaters.

Mr. Aguero later bacame Vice-President of Mariomar, Inc. in charge of booking musical talent for Channel 13 in Buenos Aires, Argentina, and Channel 8 in Caracas, Venezuela. He was producer-sponsor of both the First and Second Cuban Festival at Carnegie Hall. Mr. Aguero also produced 65 one-half hour episodes of a tv comedy series, "Popa in New York," and was Producer-Sponsor in association with Columbia Pictures of the motion picture, "Popa in New York."

Mr. Aguero is president of Mario Aguero Productions. Mario Aguero Productions produced "Latin Stars Salute the Hemis Fair," which opened the San Antonio Hemis Fair in 1968. In 1971, Mario Aguero Productions produced 75 episodes of the first soap opera produced in Spanish in the U.S., "Santa Barbara—Virgin and Martyr."

Mr. Aguero has had a successful political career as a campaign organizer. He specializes in fundraiser activities and Spanish campaign medias. Mr. Aguero was nominated by President Ronald Reagan as a Commissioner of the Copyright Royalty Tribunal for a term of seven years from September 1984. He is married to Lilia Lazo, an actress and a painter. They have one son, Mario Alexander.

COMMISSIONER J.C. ARGETSINGER

J.C. Argetsinger was appointed by President Reagan to the Copyright Royalty Tribunal on October 17, 1985, following confirmation by the U.S. Senate, for a term ending Septemer 27, 1991.

Previously, Mr. Argetsinger was General Counsel to the ACTION agency from 1982 to 1985. From 1973 to 1982, he served in several staff positions in the U.S. Senate, including the Judiciary Committee, of which he was the Chief Minority Counsel. During this period, Mr. Argetsinger was involved with various copyright issues including the 1976 copyright revision legislation which established the Copyright Royalty Tribunal. From 1970 to 1973, he was a trial lawyer with the U.S. Department of Justice and was for a time a Special U.S. Attorney in Washington, D.C.

A 1966 graduate of Western Reserve University school of Law, Mr. Argetsinger subsequently served for nearly three years as an infantry officer in the U.S. Army. As an undergraduate, Mr. Argetsinger attended Cornell University and received a B.A. degree from Youngstown University in 1963. He is a member of the bar of the State of Ohio and the U.S. Supreme Court.

Mr. Argetsinger is a native of Schuyler County, N.Y., and currently resides in Alexandria, Virginia with his wife and three children.

ROBERT CASSLER, GENERAL COUNSEL

Robert Cassler was born in Queens, New York. He was graduated from Brandeis University in 1972 where he majored in history. He received his J.D. degree from Georgetown University Law Center in 1975. He is a member of the bar of the State of New York and the District of Columbia.

Mr. Cassler studied copyright law at Georgetown University Law Center with Dorothy Schrader, General Counsel of the U.S. Copyright Office. In 1975, he was awarded First Prize for Georgetown University Law Center in the Nathan Burkan Memorial Copyright Writing Competition sponsored by ASCAP for a paper he wrote on copyright law.

After a year in private practice in New York, Mr. Cassler joined government service with the Federal Communications Commission. His first assignment at the FCC was conducting rulemaking proceedings in the Private Radio Bureau. In 1979, he transferred to the Mass Media Bureau where he rose to the level of supervisory attorney in the AM Branch. In 1983, he joined the support staff in the Office of the Administrative Law Judges which was created especially to assist the judges in determining which communications companies would receive cellular radio licenses in the top 30 markets of the country.

Mr. Cassler enjoys theater, and has written a full-length historical drama which received a production from the Unitarian Universalist Chapter of Manassas, Virginia. He also contributes original songs and sketches each year to the musical revue produced by the Young Lawyers' Section of the Bar Association of the District of Columbia.

Mr. Cassler, joined the Copyright Royalty Tribunal as General Counsel March 4, 1985.

CHRISTY BLACKBURN-RODRIGUEZ, ASSISTANT TO CHAIRMAN

Christy Blackburn-Rodriguez is a native of San Diego, California. She has over fourteen years of experience in office administration and fiscal systems management: Administrative Aide for Product Development, National Clearinghouse for Bilingual Education; Office Manager for Veterans Affairs, Office, Long Beach City College; Fiscal Officer for Rod-San & Associates, Inc.

Christy joined the Copyright Royalty Tribunal in November 1980 as Confidential Assistant to Commissioner Frances Garcia and since September 1982, has served as Confidential Assistant to Commissioner Ray. In addition, she serves as Budget Administrator for the agency.

Ms. Rodriguez, presently resides in Fairfax County, Virginia with her husband, Tom, and two sons, Armando and Emiliano.

STATEMENT BY EDWARD W. RAY
CHAIRMAN, COPYRIGHT ROYALTY TRIBUNAL
before the
HOUSE OF REPRESENTATIVES
APPROPRIATIONS SUBCOMMITTEE ON THE LEGISLATIVE BRANCH
February 27, 1986

I am Edward W. Ray, Chairman of the Copyright Royalty Tribunal. The Tribunal's FY 1987 budget request is for a total of $833,000, of which sum $583,000 will be derived from the copyright royalty funds. In addition, the Tribunal has also submitted a program supplemental request of $165,000, of which $116,000 will be derived from the copyright royalty funds, for FY 1986.

The $165,000 supplemental request for this current fiscal year is solely for the purpose of providing the funds for salaries and personnel benefits for two commissioners and their assistants beginning January 1986 (9 months only). Presently, there is one nomination pending Senate confirmation. The current FY 1986 approved budget only provides for the salaries and benefits of three commissioners, three assistants, and a general counsel although our authorizing legislation (P.L. 94-553) directs that the Tribunal be composed of five commissioners. In planning for the possibility that the two commissioner vacancies will be filled, the Tribunal felt it was only prudent to request the supplemental funds necessary to accomodate the salaries and benefit expenses for these positions.

The FY 1987 budget request provides for 12 positions: 5 commissioners, 5 assistants, a general counsel and a secretary to the general counsel. The largest share of the requested increase over our current level is in the Salaries and Compensation and Personnel Benefits allotments. Although a major portion of this increase is a result of projecting the salaries and benefits for the additional two commissioners and two staff assistants for the full twelve months, we are also requesting authorization to provide for a secretarial position (GS 7) who would provide clerical support to the general counsel.

In projecting the calendar for 1987, as scheduled under existing legislation, the fee schedule for the manufacturing and distribution of phonorecords (mechanical) is subject to review by the Tribunal. In addition, the Tribunal is currently considering petitions to review major components of the cable television fee schedule. Both of these proceedings may be protracted, complex, and vigorously contested. Also, a significant portion of the Tribunal's FY 1987 activities will include both cable and jukebox distribution proceedings: We are projecting that there will be controversies in the distribution of those royalty funds. It is therefore imperative that the Subcommittee approve the Tribunal's full request of $50,000 for outside professional services and for the additional funds required for printing and cost of hearings. The disallowance of all funds in previous budget requests for professional services has caused serious problems for the Tribunal, the courts, and the important industries participating in our rate proceedings. The conditions under which the Tribunal has been required to conduct rate proceedings has been the subject of considerable comment, some ridicule, and a little sympathy. The U.S. Court of Appeals for the D.C. Circuit in a recent opinion noted "the CRT's lack of resources to engage in independent investigation."

Mr. **Ray**. We will make them available to you.

Mr. **Fazio**. If you have a statement, we can put it in the record.

Mr. **Ray**. First, Mr. Chairman, we are very honored to appear before you today and you have already introduced my assistant. In addition to being my confidential assistant, Ms. Rodriguez is also the budget administrator for the CRT.

I do not have an addition to my written statement, but we are available to answer any questions that you may have.

Thank you, sir.

Mr. **Fazio**. We will place your statement in the record.

Mr. **Ray**. I have nothing further to add because we have presented it several times in the past. There is a more detailed résumé that we submitted in our oversight report and I did submit a copy of that report to this subcommittee.

RATE ADJUSTMENTS

Mr. **Fazio**. We will ask some questions.

Mr. **Ray**. Very good.

Mr. **Fazio**. We are headed in the right direction. How many rate decisions has the Tribunal made since its inception?

Mr. **Ray**. The Tribunal has rendered nine rate decisions. Hearings were conducted in five of the proceedings. The other rate adjustments were reached by settlements.

In the case of the 1982, non-commercial broadcasting rate adjustment, we did not have hearings. It was primarily reached by settlement.

The major rate decisions that have been made are the 1980 mechanical royalty rate; the 1980 cable royalty rate; 1980 juke box rate; and the 1982 cable rate because of the FCC deregulation of distant signals, which I am sure all of you have heard about.

Mr. **Fazio**. We remember it well. Is it still in the courts?

Mr. **Ray**. Oh, no, totally resolved. Totally resolved by the courts. In fact, I have good news for you today.

Mr. **Fazio**. Please tell us.

DISTRIBUTION HEARINGS

Mr. **Ray**. Each of the distribution hearings from 1979 through 1982, had been appealed with the exception of one, where there was a settlement. A small percentage of the total distribution had been withheld because of the controversy in appeal.

In August 1985 the U.S. Court of appeals upheld every single decision.

Secondly, we have received another piece of good news this week. The devotional claimants had petitioned the Supreme Court on the same decisions from 1979 through 1982. The Court as of this week, denied their petition. The slate is clean, and on March 20th, we are going to distribute the remaining balance of the funds from 1979 through 1982. So we are very happy.

Mr. **Fazio**. I am confused, as I am sure others may be between rate decisions and distribution decisions.

Mr. **Ray**. Yes.

Mr. **Fazio**. How many distribution decisions have been made?

Mr. RAY. There have been seven cable distribution decisions and six jukebox decisions.

Mr. FAZIO. All those were appealed with the exception of one. One was settled, the others were all litigated but they have been resolved. There are none pending?

Mr. RAY. No distribution appeals are pending. We are currently, Mr. Chairman, holding hearings in the 1983 cable distribution. We are projecting an appeal in this case. The reason for this proceeding is because we were not able to reach a settlement agreement between the parties because of two reasons:

Number one, previous distribution decisions had not been resolved by the court, when we started the 1983 hearings in May of 1985.

The other reason is that for the first time there are two new issues, as a result of the 1982 cable rate determination made by the CRT, that involve the 3.75 and the syndicated exclusivity rule. The monies have been collected by the Copyright Office. It has not only increased the pot tremendously, but it also creates some new issues that will have to be resolved during this proceeding as to who are the rightful claimants to the syndicated exclusivity funds.

We have already made a decision in phase one. It was a highly protracted proceeding. We spent approximately 55 days in hearing and it was very costly.

The phase two hearings start on March 6th. We have scheduled nine days for hearings in phase two. On April 15th, we will publish the final determination on phase one and phase two.

We are confident that this proceeding and whatever action the courts take will set the rules and guidelines for these particular issues. Then we can anticipate once again reaching settlements in the future, but not by 1987. I will explain that further. We have projected that by the time we declare a controversy, we have already been petitioned to do so by the parties, we will not have the results of the appeal. Because of the mandate to complete the hearings within a certain specified period of time, we will have to start that 1984 proceeding prior to any decision by the courts. So I think it is only prudent that we project in our 1987 budget for a 1984 cable distribution proceeding but we don't anticipate having to spend the number of days in hearings as we did in the 1983 proceeding.

Mr. FAZIO. We will put a number of questions in the record, which will give you a chance to expand on some of these answers.

[The questions and responses follow:]

TRIBUNAL RATE DECISIONS

Question. How many rate decisions has the Tribunal made since its inception?

Response. The Tribunal has rendered 9 rate decisions since commencing operations in November 1977.

Question. How many have been appealed, and what is their current status?

Response. Four rate adjustment decisions were appealed. The Tribunal has been affirmed on every decision for which a party has institued an appeal. In two cases, the court remanded certain issues back to the Tribunal. At this time, there are no rate adjustment appeals pending.

Question. How many distribution decisions have been made?

Response. The Tribunal has rendered 7 cable distribution decisions and 5 jukebox distribution decisions.

Question. How many appealed; current status?

Response. Eight distribution decisions have been appealed. The Tribunal has been affirmed on every decision. Two cable and one jukebox distribution determinations were remanded. Currently, there is only one appeal pending before the U.S. Court of Appeals.

Appeal Status of Rate Determinations

Since its inception, the Tribunal has rendered 9 rate decisions, with 4 appeals. The Tribunal has been affirmed on every decision for which a party has instituted an appeal. Two cases were remanded.

Subject	Determination date	Appealed	Status
1980 cable adjustment	January 5, 1981	Yes	Affirmed, remanded to correct or explain a mathematical error.
1980 cable adjustment remand	October 12, 1982	No	
1982 post-FCC deregulation and syndicated exclusivity surcharge.	November 19,1982	Yes	Affirmed.
1980 mechanical adjustment	January 5, 1981	Yes	Affirmed, remanded to adopt an alternative scheme for inflationary adjustments.
1980 mechanical remand	December 23, 1981	No	
1980 jukebox rate	January 5,1981	Yes	Affirmed.
1978 noncommercial broadcasting	June 8, 1987	No	
1982 noncommercial broadcasting	December 29,1982	No	Agreement reached.
1985 cable inflation adjustment	May 1, 1985	No	Agreement reached.

Appeal Status Cable and Jukebox Royalty Distribution Determinations

Since commencing operations in 1977, the Tribunal has rendered 7 cable distribution decisions and 5 jukebox distribution decisions, with 8 appeals. The Tribunal has been affirmed on every decision. Two cable and one jukebox determination decisions were remanded.

Distribution proceeding	Determination date	Appealed	Status
1978 Cable	Sept. 23, 1980	Yes	Affirmed, except remanded to provide statement for the recision of initial allocation to NPR.
1979 Cable	March 8, 1982	Yes	Affirmed, except remanded to consider NAB's claims to sports broadcasters and commercial radio, and nonaward to Devotional Claimants.
1980 Cable	March 7, 1983	Yes	[1]
1979 Cable (remand)	May 11, 1984	Yes	[1]
1980 Cable (remand)	July 10, 1984	Yes	[1]
1981 Cable (remand)	March 2, 1984	No	Full settlement based on court resolution of 79 and 80 appeals.
1982 Cable	Sept. 25, 1984	Yes on phase II	Affirmed.

The Court affirmed the Tribunal's decision in 1979-1982 cable distribution decisions on August 30, 1985. On November 27, 1985 Christian Broadcasting Network filed a petition for writ of certiorari with the Supreme Court to review the decision of the U.S. Court of Appeals denying their appeal of the 1979-1982 cable royalty final determinations. The Supreme Court denied the writ of certiorari on February 24, 1986.

Distribution proceeding	Determination date	Appealed	Status
1978–81 jukebox	78–Letter of agreement. 79–Nov. 30. 1981; 79 and 80—April 29, 1982 (to include IBC) 81—Nov. 30, 1982.	No	All distribution proceedings reached full settlements.
1982 jukebox	August 31, 1984	Yes	Remanded for further fact-finding to determine whether Latin American Music, Latin American Music Inc. and ACEMLA are performing rights societies.[1]
1983 jukebox	November 20, 1985	Yes	Appeal pending.[1]

[1] The Tribunal declared that a controversy existed in the distribution of the 1983 jukebox royalty fund on November 5, 1984. On May 30, 1985 the Court of Appeals vacated the 1982 jukebox determination, but remanded for further proceedings. The Tribunal found that the parties and issues of the remanded 1982 proceeding and the 1983 proceeding were substantially the same, and that the time and resources of the parties and the Tribunal would be better served by consolidating the two proceedings. The appeal is pending.

TRIBUNAL HEARINGS

Question. The Tribunal conducts both rate review and distribution proceedings. What hearings are you holding this fiscal year and what hearings do you plan for fiscal year 1987?

Response. In FY 1986, the Tribunal has held hearings in the 1982–83 Jukebox Distribution Proceeding (4 days) and the 1983 Cable Distribution Proceeding (22 days) with 9 hearing days scheduled in March 1986. During the remainder of this fiscal year, the Tribunal anticipated commencing hearings in the 1984 Jukebox Distribution Proceeding, the 1984 Cable Distribution proceeding, and a Cable Rate Adjustment Proceeding. Unless settlements are reached, the 1984 Cable Distribution Proceeding and the Cable Rate Adjustment Proceeding will extend well into FY 1987. In addition, during FY 1987, the Tribunal will conduct proceedings in:

1. Adjustment of the royalty rate for noncommercial Broadcasting. (Section 118 Title 17 USC).
2. Adjustment of the royalty rate for the manufacture and distribution of phonorecords if petitioned by party(s) with significant interest. (Section 115 Title 17 USC).
3. 1985 Cable Royalty Distribution (Section 111 Title 17 USC).
4. 1985 Jukebox Royalty Distribution (Section 116 Title 17 USC).

Question. How many days do you expect these hearings to last? Where do you hold them?

Response. The Tribunal does not have hearing facilities. We utilize the facilities, as available, of several accommodating federal agencies (e.g., Postal Rate Commission, Commodity Futures Trade Commission, Foreign Claims Settlement Commission) at no charge. The following schedule provides actual hearing days for 1984–86 and estimated hearings days to be held in 1986 and 1987.

ACTUAL HEARING DAYS (PURSUANT TO SECTION 804 TITLE 17 U.S.C.)

FY 1984

1979 Cable Distribution (Section 111 Title 17 USC) February 21, 1984 (Total—1 day).

1980 Cable Distribution (Section 111 Title 17 USC) January 9, 10, 11, 12, 23, 25, 1984 (Total—6 days).

1982 Cable Distribution (Section 111 Title 17 USC) July 17, 18, 24, 25, 26, 27, 1984 August 1, 2, 3, 6, 7, 1984 (Total—11 days).

FY 1985

1983 Jukebox Distribution (Section 116 Title 17 USC) January 7, 1985 (Total—1 day).

1982 and 1983 (Consolidated) Jukebox Distribution (Section 116 Title 17 USC) September 30, 1985 (Total—1 day).

1983 Cable Distribution (Section 111 Title 17 USC) March 26, 1985; June 7, 19, 20, 21, 24, 25, 26, 27, 28, 1985; July 1, 2, 3, 15, 16, 17, 22, 23, 24, 25, 29, 30, 31, 1985; August 1, 7, 8, 1985; September 4, 5, 6, 9, 10, 11, 12, 13, 1985 (Total—34 days).

FY 1986

1983 Cable Distribution (Section 111 Title 17 USC) October 4, 7, 8, 9, 1985; November 18, 19, 21, 22, 25, 26, 1985; December 2, 3, 4, 5, 6, 9, 10, 11, 12, 17, 18, 1985; January 24, 1986 (Total—22 days).

1982 and 1983 (Consolidated) Jukebox Distribution (Section 116 Title 17 USC) October 2, 3, 1985; October 28, 29, 1985 (Total—4 days).

PLANNED HEARING DAYS 1986/1987 (SECTION 804 TITLE 17 USC)

1983 cable distribution (Section 111 Title 17 USC) March 6, 7, 10, 11, 12, 13, 19, 20, 21, 1986 (Total—9 days).

1984 cable distribution (Section 111 Title 17 USC).

The Tribunal has received petitions to defer the declaration of a controversy and commencement of the proceeding until after the April 15 final determination has been issued in the 1983 cable distribution proceeding. To date, in the 1983 proceeding we have already held 56 days of hearings and scheduled 9 days in March. (FY 1986 Estimate—10 days). (FY 1987 Estimate—20 days).

1984 Jukebox Distribution (Section 116 Title 17 USC).

In the 1982-83 Jukebox Royalty Distribution Proceeding the Tribunal held 6 hearing days. (FY 1986 Estimate—4 days).

Cable Rate Adjustment (Section 111 Title 17 USC).

Tribunal received petitions in 1985 to conduct a rate proceeding for the secondary transmission of distant signals by cable systems. In the 1982 cable rate adjustment, the Tribunal held 28 days of hearings. (FY 1986 Estimate—5 days). (FY 1987 Estimate—10 days).

Mechanical Rate Adjustment (Section 115 Title 17 USC).

During 1987, the Tribunal may be petitioned to adjust the rate pursuant to section 115. In 1980, the Tribunal held 57 days of hearings. (FY 1987 Estimate-15 days).

Noncommercial Broadcasting Rate Adjustment (Section 118 Title 17 USC). (FY 1987 Estimate—1 day).

1985 Cable Distribution (Section 111 Title 17 USC). (FY 1987 Estimate—10 days).

1985 Jukebox Distribution (Section 116 Title 17 USC. (FY 1987 Estimate—3 days).

Question. For the record, provide a tabulation of the actual days of hearings held in 1984, 1985, and your current fiscal plan, and the fiscal 1987 estimate. Indicate which hearings were or are required by law, and cite the statutory authority.

Response. Every proceeding that the Tribunal has conducted in FY 1984, FY 1985, FY 1986 and those planned for FY 1986 and FY 1987 are required by Section 804 Title 17 U.S.C. Please refer to the schedules submitted in response to the preceding question for detail on the following summary.

Fiscal year:	*Hearing days*
1984	18
1985	36
1986 to 2/28/86	26
1986 projected	28
1987	59

Mr. **RAY**. Excuse me, Mr. Chairman, let me make a suggestion. We have brought with us some schedules in anticipation of certain questions. We have available to submit a summary of the terms of commissioners from the beginning. There have been five commissioners for four years and eight months. There have been times when there were only two commissioners. During the very difficult days from May of last year to October of this year, there were just my self and one other commissioner.

We also can provide a schedule of the appeal status for both distribution and rate decisions from the very beginning. We have a status of receipts and disbursements of royalty funds from the very beginning for you. We have the actual hearing dates of '84, '85, '86. It is not part of my prepared statement, so with your permission, it might be helpful to you and the members, if we submit this now as part of the record.

Mr. **FAZIO**. I am sure it will be.

[The material follow:]

SUMMARY OF TERMS OF COMMISSIONERS

Thomas C. Brennan	November 10, 1977 - September 26, 1984
Douglas E. Coulter	November 10, 1977 - September 26, 1984
Mary Lou Burg	November 10, 1977 - May 16, 1983
Clarence James	November 10, 1977 - May 13, 1981
Frances Garcia	November 10, 1977 - September 26, 1982
Edward W. Ray	February 14, 1982 - September 26, 1989
Katherine D. Ortega	January 9, 1983 - September 18, 1983
Mario F. Aguero	May 15, 1984 - September 26, 1991
Marianne Hall	July 2, 1984 - May 8, 1985
J. C. Argetsinger	October 28, 1985 - September 26, 1991

11/10/77 - 5/13/81	3 years 6 mos.	5 commissioners
5/13/81 - 2/14/82	9 mos.	4 commissioners
2/14/82 - 9/26/82	7 mos.	5 commissioners
9/27/82 - 1/9/83	3 mos.	4 commissioners
1/9/83 - 5/16/83	4 mos.	5 commissioners
5/16/83 - 9/18/83	4 mos.	4 commissioners
9/18/83 - 5/15/84	8 mos.	3 commissioners
5/15/84 - 7/2/84	2 mos.	4 commissioners
7/2/84 - 9/26/84	3 mos.	5 commissioners
9/26/84 - 5/8/85	7 mos.	3 commissioners
5/8/85 - 10/27/85	6 mos.	2 commissioners
10/27/85 - present	4 mos.	3 commissioners

5 commissioners: 4 years 8 months
4 commissioners: 1 year 6 months
3 commissioners: 1 year 7 months
2 commissioners: 6 months

CABLE ROYALTY FEE FUND

Year	Current Value of fund	Total Amount Distributed as of 1/31/86		Total Amount Remaining in Fund Pending Resolution of Controversy	
1978	$17,659,021.81	$17,659,021.81	(100%)	$ 0	
1979	23,729,217.54	22,889,475.42	(96.46%)	839,742.12	(3.54%)
1980	28,047,587.84	25,786,286.29	(91.94%)	2,261,301.55	(8.06%)
1981	35,523,018.14	34,162,880.02	(96.17%)	1,360,138.12	(3.83%)
1982	44,303,205.76	42,204,955.73	(95.26%)	2,098,250.03	(4.74%)
1983	82,326,682.49	39,826,643.72	(48.38%)	42,500,038.77	(51.62%)
1984	95,547,099.51	0		95,547,099.51	(100%)
1985	52,297,419.45	0		52,297,419.45	(100%)

JUKEBOX ROYALTY FEE FUND

Year	Current Value of fund	Total Amount Distributed as of 1/31/86		Total Amount Remaining in Fund Pending Resolution of Controversy	
1978	$1,124,326.39	$1,124,326.39	(100%)	$ 0	
1979	1,359,869.45	1,359,869.45	(100%)	0	
1980	1,227,575.32	1,227,575.32	(100%)	0	
1981	1,183,229.97	1,183,229.97	(100%)	0	
1982	3,311,400.46	3,109,981.76	(93.92%)	201,418.70	(6.08%)
1983	3,151,088.03	3,068,580.32	(97.38%)	82,507.71	(2.62%)
1984	5,922,280.40	5,305,545.81	(89.59%)	616,734.59	(10.41%)
1985	5,483,104.51	0		5,483,104.51	(100%)
1986	786,600.00	0		786,600.00	(100%)

GENERAL COUNSEL

Mr. **Fazio**. I have several questions, then we will include the remaining material in the record.

You filled the general counsel's position last year. Tell us the duties of that individual and how this added expertise aids the work of the tribunal?

Mr. **Ray**. I will say this: I have always been an advocate for and I have pushed for the employment of a general counsel from the first day I joined the agency, even though some of my associates were not in favor of it. I would preface my statement by saying that without a general counsel, from May to the end of this year, it would have been an almost impossible task for the CRT with two commissioners and two assistants.

The general counsel has done an excellent job. He is responsible for providing advice, legal advice, in every area of our responsibilities.

He is responsible for writing, after our approval of terms, all orders that go into the Federal Register, decisions that we make regarding procedures for our hearings. He is now working eight days a week, if you can believe that, writing up the final determination for phase one and will soon begin on the final determination of phase two of the 1983 cable distribution proceeding.

He has been very helpful in advising us in the resolution of a lot of legal problems between the parties.

Mr. **Fazio**. Would he represent you in court?

Mr. **Ray**. No, he will not. The Justice Department represents us in court and we must say they have done an excellent job or they have had excellent determinations to defend.

Mrs. **Boggs**. Or a combination?

Mr. **Ray**. Thank you.

Mr. **Fazio**. Does he assists in the preparation of cases?

Mr. **Ray**. Well, he serves as liaison with the chairman.

Mr. **Fazio**. We have placed his biography in the record.

Mr. **Ray**. Thank you.

PROFESSIONAL SERVICES

Mr. **Fazio**. We note you are asking $50,000 for consulting services. The Copyright Act contemplated that the commissioners and their administration assistants would provide the necessary professional expertise. Why do you feel these funds are needed in these very stringent times?

Mr. **Ray**. Well, again, if I may, I would like to approach that from my point of view. As a commissioner, I have always taken the position, as recently as last year's oversight hearings in the House and also by written statement this Subcommittee of the Appropriations Committee, that I do not believe there is a necessity for a full time economist. I am one of the few lone voices that believe this. I believe it would be an unneccessary drain of taxpayers money. I don't think we have enough duties to justify a full time economist.

However, as you probably are aware, both the House bill—which has not passed sponsored by Mr. Kastenmeier, and the Senate bill by Mr. De Concini, required a full time economist. The former chairman and current members of the agency feel that we should have a full time economist.

I do believe that if we had had the service, part time service of an economist during the cable rate hearings, it would have benefitted us in our final determination. I feel that with the possibility of having two upcoming rate proceedings, we will definitely need the expertise of an economist. We have been petitioned by parties to begin a review of the 3.75 decision, and of course, the Act itself states that in 1987, if petitioned, we will have to have a mechanical rate hearing.

I believe that what happens in most of these proceedings, one party will have economic surveys of all sorts that are presented to us. They will have an economist. The opposing parties will also have an economist. And as the Congressman who just left said, it is amazing that they never agree. There are two issues, two opposing issues put into the record, we would like an opportunity to have our own independent analysis by an economist to advise us on the issues and data.

$30,000 of the $50,000 would be for the use of an economist in the two rate hearings.

The remainder of the $50,000 would be used for independent research. We have been criticized quite severely by many parties, including the courts from time to time, for the lack of professional resources.

Of course, we are not talking about commissioning a $250,000 project but utilizing some of the universities or colleges in this area—University of Maryland, or other schools—for specific research projects in both the distribution and rate hearings.

The Copyright Office's semiannual statements of accounts, filed by cable systems number approximately 10,000. It would be helpful for us to have an analysis of those statements. The statements provide several kinds of information. We have been asked what effect has the 3.75 had on this or on that? With an analysis of the statements, we would know how many new systems picked up stations after our 1982 determination; what percentage of the total funds are because of the syndicated exclusivity rate. The statements can provide us with information about new builds, new systems, and other information, so we don't have to depend upon biased trade reports. That is why we are requesting the additional $20,000.

Mr. Fazio. You have made a reasonable explanation of it. I will want to consider those vis-a-vis the possibility of hiring someone to cover a broad range. Some of the benefits would be lost but there also would be some institutional knowledge built up on the part of the staffers.

Mr. Ray. I am sorry, what bothers me about that, Mr. Chairman, sir, is that it has been my experience in private industry—before coming here—that every time you have an additional person, as you well know, you are not only incurring the cost of the person's salary or benefits, somehow some way it always incurs additional costs that are not directly related to the program for which the funds were allocated. I believe at this stage of the CRT's tenure, the kind of information that we can get from independent studies will be most beneficial to us.

Mr. **Fazio**. That is a very good point. We will work with you to resolve the issues. This is not the year for us to add any funding.

Mr. **Ray**. What a terrible time.

Mr. **Fazio**. You make a case for additional expertise. The work of your tribunal depends on a number of very important and relatively powerful economic interests, so it is increasingly necessary for you to be in a position to defend your judgments on both a legal and economic basis.

I have one additional question on this subject which you can answer for the record.

[The question and response follow:]

PROFESSIONAL CONSULTANTS

Question. Since the scope of your work is broad, as well as technical, if you begin to hire consultants, will there be more and more pressure to utilize outside help? In other words, if you start this practice, when does it end?

Response. On several occasions the House and Senate Oversight Subcommittees have strongly urged the Tribunal to hire a full-time economist and other professional staff in their response to certain negative criticisms of the Tribunal's final determinations by the courts and other parties. The Tribunal has not done so primarily for the following reasons:

(1) The Tribunal has never been appropiated funding for these additional staff positions.

(2) It is the opinion of a majority of the Commissioners that the current Tribunal statutory responsibilities do not require a sufficient workload necessary to justify permanent, full-time employment of an economist and research assistant. We further believe the utilization of outside or part-time professional services, as needed, is the most cost effective method to improve the quality of our determinations.

Absent complete agreement among all parties in distributions and rate hearings in subsequent years, it is our opinion that similar requests will be necessary and justifiable in the future.

Mr. **Fazio**. Before we end I had a couple of questions I would like to discuss very quickly.

Mr. **Ray**. I will be brief in my response.

COMMISSIONERS

Mr. **Fazio**. One of the issues is always how many commissioners we have on board. There are now three?

Mr. **Ray**. Yes sir.

Mr. **Fazio**. You are in a position to make a judgment call?

Mr. **Ray**. Right.

Mr. **Fazio**. Are we anticipating having those other two slots filled?

Mr. **Ray**. We are not.

Mr. **Fazio**. Has the Administration decided we only need three?

Mr. **Ray**. That information we don't have. We don't have access to that kind of information. I had hoped you could give us an answer.

Mr. **Myers**. I thought there had been one recommendation to the Senate.

Mr. **Ray**. That is right, and this is why we put the supplement in.

Mr. **Fazio**. That is what I thought.

Mr. **Myers**. The Administration did make a recommendation?

Mr. **Ray**. We got that information from the Washington Post and the Washington Times.

Mr. MYERS. It might not be reliable then.

Mr. RAY. We felt that we had a responsibility to at least project the budget on the basis of five Commissioners

CONFIDENTIAL ASSISTANTS

Mr. FAZIO. We had a discussion about the GS-9 salary level for commissioners, secretaries, and administrative assistants a few years ago. What is the current situation?

Mr. RAY. Let me tell you what I think some of the problems are. In the case of two assistants, Christy Blackburn-Rodriguez and Barbara Gray, who have been there from practically the beginning, both have extra responsibilities. In the case of Ms. Gray, she has responsibility for public information, personnel matters, insurance, and other things, as well as serving as confidential assistant, to Commissioner Aguero. The same is true with Christy. However, when a new commissioner comes in and chooses to bring an assistant, he or she often feels that all assistants should be equal without regard to tenure.

Mr. FAZIO. That is his appointment authority.

Mr. RAY. That is right. The first time the problem came up was with a former chairman, Mary Ann Hall. She felt that the commissioners are equal, and did not understand why a new confidential assistant should be paid at a lesser grade. I don't know what the answer is there, sir.

Mr. FAZIO. We want to make sure that staff, particularly those who have been with the tribunal for a period of time, are adequately compensated. They have acquired an abundance of institutional knowledge, and they assist in the work of the commissioners.

Mr. RAY. Not only do they add a lot, but when we were sitting the last year without these two commissioners and——

Mr. FAZIO. Their staff?

Mr. RAY. Without our two confidential assistants, Christy and Barbara, it would have been practically impossible for the agency to have operated.

Mr. FAZIO. You do a good job of making do with what you have in terms of sharing responsibilities for administration and you are to be commended for that. I hope we will always be as fortunate to have commissioners who have in addition to their own personal assistants' requirements, a shared burden of administrative functions of the tribunal as well.

Mr. RAY. Thank you, sir.

Mr. FAZIO. Thank you very much. We can put the remaining questions in the record and we appreciate your being with us, Mr. Ray and we hope things work well.

[The questions and responses follow:]

ADDITIONAL COMMISSIONERS

Question. You are requesting funds to fully fund two additional Commissioners. We only funded three last year. How many times, and for how long, have you had five Commissioners on board?

Resopnse. Please refer to the schedule listing the actual terms of commissioners submitted to this subcommittee during the presentation of testimony. That data is briefly summarized as follows:

5 commissioners: 4 years 8 months;
4 commissioners: 1 year 6 months;

3 commissioners: 1 year 7 months;
2 commissioners: 6 months.

COST OF HEARING

Question. You are asking for $25,000 for "cost of hearings." What items are included in that cost?

Response. The cost of court reporting services to provide verbatim transcripts of Tribunal hearings are the only expenses included in the $25,000 request. On an average, the approximate cost for transcripts run $450-$500 per day.

GRAMM-RUDMAN REDUCTION

Question. Your Gramm-Rudman reduction was $7,000. How did you allocate that reduction? What impact will it have on your work?

Response. The $7,000 reduction required by Gramm-Rudman was allocated as follows:

Salaries and personnel benefits	−$6,000
Equipment	−1,000
Total FY 1986 reduction	−7,000

Since Commissioner Argetsinger and his Confidential Assistant joined the Tribunal after the start of this fiscal year (October 28, 1985), the Tribunal was able to realize savings for those two positions which will be used to absorb the greatest portion of the reduction. As a result, in FY 1986, the Gramm-Rudman reduction will have little significant impact on the Tribunal's work.

Mr. MYERS. Do you exercise any responsibilities of transmission for cable television?

Mr. RAY. We had a rate hearing 1982 only because in the Act it says if the FCC deregulated and we are petitioned by a party, we must conduct a proceeding.

Mr. MYERS. Today you have no responsibility.

Mr. RAY. Except for the——

Mr. MYERS. For satellite transmission?

Mr. RAY. Satellite, no sir except for the retransmission of Distant Signals.

Mr. MYERS. Thank you.

Mr. RAY. One last comment I would like to make.

Mr. FAZIO. Sure.

Mr. RAY. A few years ago, through Mr. Lombard and the committee, we were able to increase the amount of the monies that could be deducted from royalty accounts, if you recall. Now, in the past 12 months, for instance—I know it is not typical sir—we have spent practically 100 percent of our time in distribution hearings and we are hoping that we can make it through the year. We are hoping we can.

I would like for you to consider perhaps increasing that 70 percent to possibly 80 percent.

Mr. FAZIO. Do you think you would have more available and maybe smaller constributions?

Mr. RAY. For a couple of reasons. As I said before, I am anticipating the distribution hearings to be more complex because of the size of the pot, number one.

The second reason is that for the first time, we are unable to reach agreements on the jukebox distribution, because a fifth party has entered for the first time, Latin American Music. They have made it impossible to reach a settlement, so we had to have hearings and will have to have hearings again this year.

When you get a chance to study this—our proposal—I would like for you to consider increasing our allocation from the royalty funds.

Mr. FAZIO. We appreciate your suggestion and certainly it will relieve some of the pressure on the general fund. If Mr. Burgner were here he would feel very good about that. That is one of the concerns that he and I shared and we appreciate your cooperation in implementing that.

Mr. RAY. Thank you.

Mr. FAZIO. Mr. Lewis has some questions for the record. We will make sure they are placed in the record. If there are no further questions, we will adjourn this hearing. Thank you.

QUESTIONS FOR THE RECORD FROM MR. LEWIS

Question. Mr. Ray, were you not chairman of the CRT after Mary Ann Hall resigned in 1985? Did that not preclude you from repeating as Chairman after December 1, 1985? Under what circumstances did you reassume the Chairmanship? Was there written a legal memo in your agency questioning the validity of your current chairmanship? If so, would you supply it for the record?

Response. Section 802 of the 1976 Copyright Act states that the most senior commissioner who has not previously served as chairman shall serve as chairman for a period of one year. The Tribunal has established a precedent that whenever a chairman does not complete his/her term the most senior commissioner will assume the chairmanship for the expiration of that term. Upon Marianne Hall's resignation on May 8, 1985, Commissioner Ray, the most senior commissioner, assumed the chairmanship through November 30, 1985. On December 1, 1985 Commissioner Mario Aguero, the most senior commissioner who had not previously served, assumed the chairmanship. On December 2, 1985 Commissioner Aguero resigned the position as Chairman. (See Commissioner Aguero's resignation memorandum which follows).

Following Tribunal precedent, and with the approval of all commissioners, Commissioner Ray again assumed the chairmanship until November 30, 1986. (See General Counsel's memorandum which follows). On December 1, 1986, Commissioner J.C. Argetsinger will assume the chairmanship.

1111 20th Street, N.W.
Suite 450
Washington, D.C. 20036
(202) 653-5175

MEMORANDUM

TO : Commissioner Edward W. Ray
Commissioner J. C. Argetsinger

FROM: Chairman Mario F. Aguero

SUBJ: Resignation of Chairmanship

DATE: December 1, 1985

After thoughtful consideration, I have decided to resign as Chairman of the Copyright Royalty Tribunal, effective December 2, 1985.

The record will reflect that I have consistently opposed the present chairmanship rotation in the Copyright Royalty Tribunal. regulations and favored a permanent chairmanship. I strongly believe the continuity of the Tribunal is important and even more significant at this particular time.

For the past several months the CRT, under the capable leadership of Acting Chairman Edward Ray, has been involved in a most important precedent setting cable royalty distribution proceeding. For the first time it will resolve new major issues created as a result of its prior cable rate determinations. The proceeding will continue well into 1986.

I believe Commissioner Edward Ray should be permitted to continue the responsible leadership that he has exhibited in this proceeding and other important CRT initiatives begun in 1985 that will not be fully resolved until 1986.

I will continue to serve as a Commissioner on the Tribunal and will utilize my best efforts to continually improve the professionalism and quality of its determinations.

CRT COPYRIGHT ROYALTY TRIBUNAL
UNITED STATES OF AMERICA

1111 20th Street, N.W.
Washington, D.C. 20036
(202) 653-5175

MEMORANDUM

Date: December 3, 1985

To: Eddie, Mario, and J.C.

From: Bob

Subject: Chairmanship, and rebutting rebuttal testimony

I believe two points need resolving:

Chairmanship - Under the Copyright Act, "the most senior commissioner who has not previously served as chairman shall serve as chairman for a term of one year." Following previous CRT practice, the most senior commissioner becomes acting chairman when a commissioner does not serve out his/her entire chairmanship. Therefore, the question is: do you want to proceed on the basis that the chairmanship now rotates to J.C. (following the Copyright Act) or do you want to proceed on the basis that Eddie is acting chairman filling out the remainder of Mario's unexpired chairmanship?

Rebutting rebuttal testimony - Yesterday, a situation came up where the Devotional claimants wanted to rebut PBS' rebuttal testimony. It was resolved by stipulation, and was not considered very important, in any event. However, this situation could arise again, and even more seriously. Suppose NAB presents some rebuttal testimony which MPAA or Joint Sports, etc. is simply not content with trying to diminish by cross examination, but wants to affirmatively rebut it because it is, in their opinion, wrong. How do the commissioners want to respond? One of the procedures which the Tribunal adopted for this proceeding states, "No documents or exhibits may be received into evidence during cross examination or redirect examination without a sponsoring witness, except where official notice is proper." Perhaps we could extend this procedure to include rebutting the rebuttal so long as the document is sponsored.

CONFIDENTIAL ASSISTANTS

Question. Would you place in the record the amount of salary paid to CRT secretaries?

Response: The Confidential Assistants, who act as personal secretaries to the commissioners, also have specific responsibility for the daily administrative requirements for the agency such as payroll, personnel, budget, accounting, public information, congressional liaison, inter-agency coordination, procurement, and information retreival systems under the general supervision of the Chairman and commissioners. Confidential Assistants are started at a GS 9 Step pay rate of $25,439 per annum. Currently, the salaries of the Confidential Assistants are as follows:

Christy Blackburn-Rodriguez (Commissioner Ray)	$31,211
Barbara N. Gray (Commissioner Aguero)	31,211
Irene Roberson (Commissioner Argetsinger)	30,411

THURSDAY, FEBRUARY 27, 1986.

GOVERNMENT PRINTING OFFICE

WITNESSES

RALPH E. KENNICKELL, JR., PUBLIC PRINTER

JOSEPH E. JENIFER, DEPUTY PUBLIC PRINTER

DONALD E. FOSSEDAL, ASSISTANT PUBLIC PRINTER, SUPERINTENDENT OF DOCUMENTS

GRANT G. MOY, JR., GENERAL COUNSEL

M. JOSEPH CANNON, COMPTROLLER

JAMES N. JOYNER, DIRECTOR, CUSTOMER SERVICE STAFF

JOHN MORRIS, SUPERINTENDENT, CONGRESSIONAL PRINTING MANAGEMENT DIVISION

Mr. FAZIO. We will now consider the budget for the Government Printing Office. The Public Printer, Mr. Ralph E. Kennickell, Jr., and members of his staff are with us.

We are very pleased, as I indicated informally, that your confirmation process has been completed. We congratulate and welcome you. We would also like to welcome those who are with you today. Would you like to introduce your staff? We encourage you to do that at this time.

Mr. KENNICKELL. It certainly is good to be here. I would like to introduce my Deputy Public Printer, Joe Jenifer on my right and the Comptroller of the agency, Joe Cannon.

Also, the Superintendent of Documents, Don Fossedal, the Director of our Customer Service Staff, Jim Joyner, the General Counsel, Grant Moy, and the Superintendent of the Congressional Printing Management Division, John Morris.

Mr. FAZIO. Very good. We hope not to bother all these folks.

Grant, don't hesitate to assist if Mr. Kennickell needs you.

Mr. MOY. Thank you.

Mr. FAZIO. The 1987 budget request is $114,735,000 an increase of $15.3 million over the 1986 sequestered level appropriations. We urge you to insert your statement in the record and then summarize it.

[The statement of Mr. Kennickell follows:]

UNITED STATES GOVERNMENT PRINTING OFFICE

Washington, D.C. 20401

STATEMENT OF

RALPH E. KENNICKELL, JR.

PUBLIC PRINTER OF THE UNITED STATES

BEFORE THE

LEGISLATIVE BRANCH SUBCOMMITTEE OF THE APPROPRIATIONS COMMITTEE

HOUSE OF REPRESENTATIVES

ON

BUDGET ESTIMATES FOR FISCAL YEAR 1987

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

My colleagues and I are pleased to be here today to present the funding requirements necessary to carry out the responsibilities of the U.S. Government Printing Office for fiscal year 1987.

Budget Request

As you know, the budget requests for the Government Printing Office for the past two years reflected reductions in new budget authority from the previous years' requests. We are proud of this achievement and had expected to repeat it again this year; and, it would have been achieved, EXCEPT for the circumstances related to the funding of the Bound Congressional Record.

The funds requested for fiscal year 1987 for those programs that require appropriations directly to the Government Printing Office total $114,735,000. This amount is an increase of $7,794,000 over the funding level approved for fiscal year 1986. However, the major reason for this increase is that our estimates for 1987 include $8,546,000 for the 1986 and 1987 Bound Congressional Records; while in 1986 the funding for the Bound Record was deferred to a subsequent year. Therefore, if we exclude the 1986 and 1987 Bound Records from the 1987 request, it will show a DECREASE of $752,000 from the funding level approved for 1986. This achievement is made possible by successful efforts to control costs both by the Congress and by GPO.

The fiscal year 1987 request consists of $71,500,000 for printing and binding required by the Congress; $15,400,000 for publications required by law to be distributed free to the recipients, and $27,835,000 for the Salaries and Expenses Appropriation of the Superintendent of Documents.

The request for the Salaries and Expenses Appropriation includes $700,000 for the International Exchange Program, which is currently funded by the publishing agencies, including approximately $200,000 from the Printing and Binding Appropriation.

The total amount of 1986 budget authority to be sequestered under Public Law 99-177 is $4,469,000. Our estimates for 1987 were prepared before this action was finalized and, consequently, have not been reduced to reflect a continuation of the actions proposed to comply with this law.

Financial Results of Operations

I am pleased to report that GPO completed fiscal year 1985 in a healthy financial position, recording net income in almost every major operation. Consolidated net income for fiscal year 1985 totaled $10.4 million. Total revenue increased by $34 million to $859 million. This revenue increase was due to the increased volume of our reimbursable commercially procured printing operations. I am also pleased to report that the net income accrued by our Sales of Publications Program was $4.378 million, of which $3 million was utilized by this Committee to reduce the fiscal year 1986 Salaries and Expenses request. The remaining $1.378 million is available for the same purpose this year, if the Committee so desires.

Cooperation With Congress

I propose that GPO and Congress enter into a Partnership for Progress. GPO exists to provide an efficient, cost effective service to the Congress. We are utilizing much more computer technology than ever before to provide you with better and less expensive printed products or services. This partnership could also result in Congress making better use of some of the other services available from GPO, such as storage space; telecommunications and computer expertise, and so forth. Therefore, I offer you the resources of the GPO in a joint effort to help resolve some of the administrative problems that burden the Congress.

Customer Service

During my first full year as the head of the largest printing establishment in the world, I made organizational changes to improve our operations and our service to our customers. I created the Departmental Account Representative Division to provide individual attention to our customers' printing and publishing needs. The goal of this new Division is to ensure confidence in our ability to deliver quality work, on time, and at a fair price. We have had considerable positive comments from our customers, including Congress, who are pleased with our service-oriented approach and with the suggestions we have made to improve their products and to reduce their costs.

Voice Synthesis

The Government Printing Office has embarked on a project to use voice synthesis, both as an aid to GPO productivity and as a new product for our customers. Voice synthesis is a new technology through which text in a machine-readable data base can be transformed into recognizable sounds, that is, formed into syllables and words purely with electronic logic. Using existing equipment, GPO has been adding to existing phonetic dictionaries to improve the level of acceptable pronunciation from approximately seventy-five percent to nearly one-hundred percent.

Congressional Record Index

As I said earlier, computer technology is playing an important role in improving the services provided by GPO. In a major development, full-text, on-line retrieval capability for the Congressional Record Index became operational, on a test basis, during the past year. This system provides up-to-date video display and hard copy of the desired information accurately and instantaneously at the Congressional Record Index Office. Currently, the Senate Library and the Congressional Research Service are using this system on a test basis.

Floppy Disk Conversion System

Another important technology improvement, the Floppy Disk Conversion System, became operational in September 1985. This system allows our customers to submit floppy disks from a number of different word processing systems which are automatically converted by the system to electronic data bases suitable for photocomposition. This automated procedure eliminates the keyboarding of manuscript copy at GPO, as well as proofreading and page markup. We hope to add two additional word processing systems in fiscal year 1986 and will be able to add up to fifty new systems by fiscal year 1989, depending upon customer requirements.

Fiber Optic Communication Link

A major improvement to the service we provide the Congress was made possible during the past year when GPO installed a fiber-optic communications link between the Senate and House computer systems and the GPO text-editing systems. It is now in the testing phase and should be fully operational within the next few months.

This link allows for easier and faster access of GPO data bases by both houses of Congress. Utilizing this link, the average daily Congressional Record data base, could be transferred from GPO to either the Senate or House in less than ten seconds. GPO will realize productivity gains from this communications link since there will be a reduction in the time required for GPO to process magnetic tapes. Also, since this link is secure, it will prevent surreptitious copying or tampering with Congressional data bases.

Electronic Job Section

One year ago, today, February 28, 1985, we abolished the Hot Metal Section. This brought to a close nearly two decades of transition to electronic photocomposition and brought down the final curtain on a technology that has served GPO and the Federal Government admirably since our founding 125 years ago. To replace this section, we established the new Electronic Job Section which has state-of-the-art computer systems and has the capability of processing all job work suitable for interactive or operator-modified composition. Typical work processed by this section includes Library of Congress foreign language cards, letterheads, forms, and certificates. This has resulted in improved efficiency, faster turnaround, and lower costs on all types of job work.

Passport Production Line

In addition to the pre-press areas, computer technology will be utilized in our Press and Bindery areas where we also continued our modernization efforts. A completely automated state-of-the-art passport production line will soon be installed at GPO. This equipment will be delivered in early spring and will become fully operational before the end of this calendar year. Most passports produced now are "Travel Document Issuance System" documents which are machine readable and provide improved security. Due to increased security requirements, these passports now require much tighter tolerances and production on the current GPO equipment has lead to extremely high rejection rates. The new line will lower rejection rates, while increasing the rate of production. The passport operation generates about $7.4 million in revenue from our customer, the Department of State.

Multi-Color Offset Press

GPO is currently in the process of procuring a new five-color offset press which will produce 700 million four-color postal cards, and 5.2 million passports annually. Acquisition of this new press is based on a requirement, from the Postal Service, that all postal cards, both regular and commemorative, be printed in four colors. At present, the approximately 625 million regular postal cards produced yearly are printed in only one color. Acquisition of this new press will result in improved products, as well as faster turnaround for commemorative postal cards. This new press will also be delivered in early spring and should also be fully operational before the end of this calendar year. Postal card revenue is expected to increase to approximately $3.3 million per year.

System 36

I am also moving ahead with improvements to the other areas of GPO. The Printing Procurement Department has three automated procurement systems to handle procurement transaction information, contract cost abstracts, and bid list selection. A fourth system to provide office automation and telecommunications to both customers and contractors has long been recognized as a necessary tool to improve effectiveness and reduce costs. After thoroughly investigating the possibilities to fulfill those needs, we decided that the IBM System 36 would most appropriately meet our requirements. This system provides the much-needed word-processing and office automation capability throughout the Department, coupled with state-of-the-art data processing functions appropriate to our needs and compatible with our existing systems. In fact, the Systems 36 terminals will serve all four systems in the regions and Central Office. Installation will be completed in April this year at a cost of $1.8 million.

Printing Procurement Satellite Offices

During the past year, Executive agencies procured more of their requirements from the GPO than in any preceding year. In order to effectively respond to these additional requirements, several Regional Offices were moved to larger quarters and we opened two new small satellite procurement offices. During July 1985, the first satellite procurement office was opened in San Antonio, Texas. The second office opened early in this fiscal year in

Charleston, S.C.. Other offices are planned for San Diego, Oklahoma City, and New Orleans. Additional sites being considered include Jacksonville, Kansas City, Detroit, and Colorado Springs. The current regional structure of 14 Regional Offices, some of which service up to seven states, does not provide adequate accessibility by many of the Federal agencies. This results in delays in the communication of requisitions and reduces GPO's ability to respond quickly to our customers' concerns. All of the proposed satellite offices are within the immediate proximity of the more remote, but large volume, agencies. The results have been improved service to these agencies and the stimulation of interest by local printing firms to participate in GPO's competitive bidding process. This improved service will not entail any cost to the Congress but will ultimately contribute to a reduction in the Federal budget deficit through meeting the Government's printing requirements more efficiently.

Electronic Text Processing

To respond to agency requests for electronic publishing, printing, and binding services, the first contract of this type, known as program 400-S, was awarded to provide for the needs of the Department of the Army in fiscal year 1984. That program received such favorable reviews, and saved the Army $80 million, that they requested a second contract of similar but expanded scope, entitled Program 600-S. This contract was written to provide the following features: electronic capture of text, maintenance of a publication data base, photocomposition with digitization of graphics, electronic mail, printing and binding of multiple publications, packing and distribution, and the basing of editorial device terminals at scattered locations. This will be a multi-year contract with an estimated total value of $500 million.

Bookstore Relocation/Renovation

The GPO has started relocating some retail bookstores, several of which are now in basements or back rooms of Federal buildings, to more populous commercial locations. Three bookstores; Pittsburgh, Philadelphia, and Birmingham, are being considered for relocation in FY 1986, and Houston, Detroit, and Milwaukee are being considered for relocation in FY 1987. Other bookstores will be relocated as space becomes available and leases are negotiated. Total sales for all bookstores increased in FY 1985 by nearly 10 percent, to a total of $9.4 million. The number of customers served by the bookstores in FY 1985 was up almost 4 percent, to approximately 336,000. In the first quarter of the current fiscal year the customer count at the relocated Kansas City bookstore showed an increase of 173 percent over the first quarter of last fiscal year. We are confident that future relocations will also result in more customers and increased orders. We are committed to making information available to the public in an efficient and business-like manner.

Administrative Improvements

In addition to the improvements made to our revenue producing areas, we are also active in improving our administrative areas. We were able to save about $389,000 in postage expenses by presorting the large volume of second class mail that goes out each day. We were also able to reduce the cost of our telecommunication expenses by about eight percent. We intend to continue cost effective efforts by implementing a digital PBX telecommunication system, and by integrating our financial systems to produce computerized financial analysis reports to help monitor our financial position. A new system has been installed to automatically process the billing of congressional hearing riders, thereby eliminating the manual recordkeeping previously required to bill ordering agencies. GPO continues to realize benefits from the computerized Voucher Order Processing and Payment System, which was implemented several years ago. In 1985, GPO took prompt payment discounts of $7.8 million, culminating a 98-percent increase over a two-year period.

Office of the Inspector General

I have initiated expansion of the Office of the Inspector General to provide GPO with a much improved capability to conduct a full range of audits and investigations in our procurement, managerial, operational and financial areas. During fiscal year 1986, the IG's efforts will focus on reviews of GPO's major programs which have been identified as vulnerable to waste, fraud, or abuse, so that action can be taken to improve the efficiency, effectiveness and economy of our operations.

Executive Information System

Fiscal year 1985 saw the creation of the Executive Information System. The development of this revolutionary, decision-support system has made available, at the desk of my senior managers, information concerning various operational and financial activities. This information is viewed on CRT terminals and, through high quality color graphics, provides timely data to assist in the management of their areas. The future will see the system expand into other areas of GPO and incorporate productivity comparisons and indicators. I wish to extend an invitation to the Members of this committee or their staffs to visit our facilities and see this system in operation.

GPO Physical Security

In our effort to safeguard GPO employees, equipment, and national security information, new security measures have either been implemented or are being considered for implementation.

The increase in bomb threats directed against the GPO, and the more recent terrorist threats directed against the U.S. Government, has created a need for our Security Service to upgrade its security procedures and access control practices to protect GPO facilities and employees. The installation of X-ray and metal detection equipment at the main entrances to our Central Office complex has been recommended as a deterrent against possible bomb and armed terrorist attacks directed at the GPO. The use of this electronic screening equipment will enhance our perimeter security and increase our capability to preclude the introduction of explosive or incendiary devices into our agency threatening the safety of our employees and property.

In addition, we have reinforced and strengthened the gates leading to the GPO and have installed concrete barriers in the parking lots adjacent to our Central Office complex. Security of our electrical Power Branch has also been strengthened to prevent this vital function from becoming a target of hostile activity and we have increased the number of electronic alarms and CCTV equipment as a means of enhancing our security posture.

As part of our overall effort to coordinate emergencies and to improve security and our ability to respond to various emergencies impacting on GPO employees and property, we have established a new Emergency Command Center and Integrated Emergency Management System.

As a result of recent public exposure of a large number of U.S. citizens reportedly engaged in espionage activities for foreign governments, we reviewed the number of employees granted security clearances for access to national security information being processed through the GPO. Our review resulted in the reduction in the number of security clearances required by 33 percent. This action also enhanced the integrity and management of our personnel security program. The implementation of these security measures will improve the protection we are providing for our employees, property, and national security information.

125th Anniversary

Throughout 1986, the Government Printing Office is commemorating 125 years of service to our Nation. We have much to celebrate during this year; our achievement of providing the massive printing and binding needs to the Congress and our more than 135 Federal customer agencies and our sense of service as we distribute millions of documents each year to an informed American public. More importantly, we celebrate the dedication of the thousands of men and women who have labored over the years to make GPO the success it has been, and those who today look forward to continuing that tradition of service well into the 21st century. On March 4, the actual anniversary of the opening of GPO for business, we will hold a ceremony paying tribute to these employees. Throughout the year, special events and activities are planned, many of them designed not as a one-time-only event, but as a lasting way of recognizing and enhancing our efforts. There are educational and historic exhibits planned, some for display at the Smithsonian. An oral history program capturing the wealth of information stored in the memories of former and longtime employees is underway and a major cleanup effort reflecting the pride of our employees in their workplace is already transforming an old GPO into a bright spot on North Capitol Street. All of these activities, along with the traditional aspects of any similar anniversary, are making 1986 a very special year for GPO. It seems so appropriate that at the same time we renew our commitment of service to our customers we also celebrate a heritage of past successes and accomplishments.

Visitor Exchange Program

This past year, with the strong support and cooperation of my Deputy, Joe Jenifer, I started the first-ever international visitor exchange program in the government printing field. This program offers personnel from foreign government printing departments the opportunity to visit and study at the GPO for extended periods. Our first visitor, in September 1985, was from Her Majesty's Stationery Office in England, while our second visitor is scheduled to arrive in March from the New Zealand Government Printing Office. GPO personnel will also be given the opportunity to make reciprocal visits abroad.

Community Involvement

In an effort unparalleled within the Federal Government, GPO has initiated a Community Outreach effort which has attracted the attention and earned the praise of other agencies, the media, and community leaders. Drawing upon a remarkable spirit of generosity found in the GPO workforce, we have begun a program which links the efforts of our employees with needs within our community. It is the first such linking of a Federal agency with a community organization - in this case the Metropolitan Police Department of the District of Columbia. The first phase of this program, Civic Partners, got underway nearly a year ago. Several GPO employees are serving as role models for youths from the District. A second phase, Adopt-A-Family, was started just this past December. Never have I witnessed such an outpouring of compassion as our employees "adopted" needy families within our community

- providing them with food, clothing, and household necessities. The most remarkable aspect of this program is its continuing nature. Our employees did not just provide a happy holiday for these families. Their involvement continues as we try to actually enhance the day-to-day living status of these individuals. As each new phase of the Community Outreach effort begins, our workforce seems eager to take on yet another. In the future, we hope to add a literacy assistance program, some joint GPO/District recreational activities, and a job assistance effort. Just as our employees give readily of themselves to fulfill their job demands, they are no less willing to give of themselves to help those in their community.

Employment Levels

With all of the improvements we have made and will continue to make in the future we must remember one of our major objectives is to reduce the costs of the products and services we provide. Since personnel costs are a major component of these costs, our efforts to reduce the number of GPO employees will continue. These efforts have resulted in the reduction of full-time equivalent employment for GPO from 5,567 in 1984 to 5,385 in 1985, a decrease of 182 workyears or 3.3 percent. The tables attached at the end of this statement indicate the declining trend in employment both by organization and by type of employee.

International Exchange Program

I am also proposing a funding change to begin in fiscal year 1987, that will help us reduce personnel and operating costs. Title 44 U.S.C. provides for certain publications to be distributed through the International Exchange Program. I am proposing that Title 44 be amended and that funding for these publications be transferred to the Superintendent of Documents, Salaries and Expenses Appropriation. This change will allow us to reduce our overhead costs and eliminate four positions.

Future Directions

The Government Printing Office is an institution dedicated to the pursuit of excellence in the fulfillment of its statutory mission. GPO is a demand-driven, service-oriented agency truly capable of providing the best possible products and services at the lowest possible cost to the taxpayer. GPO has been in the midst of a fundamental transformation from an industrial printing and distribution facility to a high technology, computer-assisted, information disseminating operation. GPO, of course, has not been unique in this regard, reflecting rather than anticipating the problems and opportunities that now face American industry. We have made great strides and are optimistic that GPO can perform an even more effective role in the future. On March 4, 1986, the 125th anniversary of our founding, there will be much to celebrate--our tradition of employee values, our sound business position, and our bright prospects for tomorrow.

Attachment I

Employees by Type
FY 1976 - FY 1985

Fiscal Year	Blue Collar	White Collar	Total
1976	5,266	2,960	8,226
1977	5,060	2,854	7,914
1978	4,816	2,758	7,574
1979	4,552	2,674	7,226
1980	4,237	2,654	6,891
1981	3,795	2,678	6,473
1982	3,589	2,480	6,069
1983	3,372	2,443	5,815
1984	3,255	2,383	5,638
1985	3,072	2,385	5,457

Attachment II

Employees by Organization
FY 1976 - FY 1985

Fiscal Year	Internal Printing Operations	Executive Printing Procurement	Materials Management	Administration	Personnel/ Human Resources	Supt. of Documents	Executive Staff Offices	Total
1976	4,528	725	250	815	195	1,542	173	8,228
1977	4,397	714	255	766	148	1,458	176	7,914
1978	4,189	703	256	762	132	1,354	178	7,574
1979	4,005	687	259	704	128	1,274	169	7,226
1980	3,724	685	254	692	117	1,245	174	6,891
1981	3,320	688	248	665	107	1,245	200	6,473
1982	3,154	614	234	618	91	1,103	255	6,069
1983	2,968	624	225	590	95	1,037	276	5,815
1984	2,840	640	215	577	97	1,003	266	5,638
1985	2,700	673	210	572	110	952	240	5,457

OPENING STATEMENT

Mr. **Kennickell**. Thank you, Mr. Chairman.

I do have a summary statement. As you know, the budget requests for the Government Printing Office, for the past two years, reflected reductions in new budget authority from the previous years' requests. We are proud of this achievement and had expected to repeat it again this year, and it would have been achieved, except for the circumstances related to the funding of the Bound Congressional Record.

The funds requested for FY 87 for those programs that require appropriations directly to the Government Printing Office total $114,735,000. This amount is an increase of $7,794,000 over the funding level approved for FY 86. However, the major reason for this increase is that our estimates for 1987, include $8,546,000 for the 1986 and 1987 Bound Congressional Records while in 1986, the funding for the Bound Record was deferred to a subsequent year. Therefore, if we exclude the 1986 and 1987 Bound Records from the 1987 request it will show a decrease of $752,000 from the funding level approved for 1986.

This achievement is made possible by successful efforts to control costs both by Congress and by GPO.

The fiscal year 1987 request consists of $71,500,000 for printing and binding required by the Congress, $15,400,000 for publications required by law to be distributed free, to the recipients, and $27,835,000 for the Salaries and Expenses Appropriation of the Superintendent of Documents.

The request for the Salaries and Expenses Appropriation includes $700,000 for the International Exchange Program, which is currently funded by the publishing agencies, including approximately $200,000 from the Printing and Binding Appropriation.

The total amount of 1986 budget authority to be sequestered under Public Law 99-177 is $4,469,000. Our estimates for 1987 were prepared before this action was finalized and, consequently, have not been reduced to reflect a continuation of the actions proposed to comply with this law.

Mr. Chairman, this concludes my summary. I hope to respond, as will my staff, to any questions the committee may have.

GRAMM-RUDMAN REDUCTIONS

Mr. **Fazio**. Thank you.

We will begin with the subject of Gramm-Rudman reductions. Tell us how you handled the effects of the following cuts:

Reductions of $2,984,000 in Congressional Printing and Binding; $497,000 in Printing and Binding, and $988,000 in the Superintendent of Documents program. You have proposed several item by item program reductions to effect the mandated reductions. What were the results of those efforts?

Have you worked in concert with the Joint Committee on Printing in the selection of these items?

Mr. **Kennickell**. Yes, Mr. Chairman, my staff has been in contact with the staff of the JCP and there is agreement with the majority of these proposals. I would like for my Comptroller to read the specific details of the sequestration amounts.

SALARIES AND EXPENSES PROPOSALS

Mr. **Cannon**. In Salaries and Expenses, we have proposed four reductions. One of them is to reduce the administrative overhead costs allocated to the Salaries and Expenses Appropriation. We are proposing to eliminate a contract for the cataloging of publications. We intend to reduce personnel compensation by delaying the filling of some vacancies and reducing the use of overtime, and we propose to increase the use of microfiche for depository libraries. We feel with these four actions, we will be able to save $988,000 in the Salaries and Expenses Appropriation.

CONGRESSIONAL PRINTING AND BINDING PROPOSALS

Mr. **Fazio**. That is in the Superintendent of Documents account. What about Printing and Binding Appropriation?

Mr. **Cannon**. We would like to say that the reductions to these appropriations are basically outside of the Public Printer's control. GPO responds to the demands of Congress and provides the printing and binding services necessary for Congress to fulfill its mission.

The proposals we are submitting for your consideration are suggestions for reducing these appropriations. We have consulted with the staff of the JCP. We recognize that the services to Congress will be reduced if these proposals are implemented, especially those that deal with reducing the number of copies furnished.

However, these proposals can be changed if you so direct, or they can be replaced with alternative proposals. We are willing to offer our time and expertise to work with the appropriate officials in this effort.

The first one is where we have worked with the Office of the Clerk of the House and have redesigned the House wall calendar. We have been able to save $159,000 in the Congressional Printing and Binding Appropriation. On the Serial Sets which we no longer handle as rush work, we have been able to save $72,000.

We are proposing to eliminate the hand messenger delivery of the Daily Congressional Record. We feel this will save us $9,000 for the remaining seven months of this fiscal year.

Under Section 906 of Title 44, each Member of Congress is authorized to receive three copies of the Daily Congressional Record. We are proposing they only receive two. Since there are only 23 Members that receive the third copy, this would save us $2,000 for the remainder of the fiscal year.

There are numerous detailed employees from the Government Printing Office working on the Hill. We feel if we eliminate the overtime worked by these details, we would be able to save $454,000 for the remaining seven months of this fiscal year.

We propose to start production of some congressional bills that have a small number of pages or a limited quantity requirement on an electrostatic copier. We feel we could save $257,000 with this proposal.

We are recommending that we eliminate the printing of preliminary pages on numbered reports. Many of these reports are printed with several preliminary pages which we feel contain nonessential information. If we eliminate these pages we could save about $47,000.

We are recommending that the number of copies on Soil Surveys that go to each Representative or Senator be reduced by half. This would save about $100,000.

FURTHER RECOMMENDED REDUCTIONS

We are recommending revising the format of the House Business Calendars. We have had a meeting with Mr. Brown, the Parliamentarian, and Mr. Ladd from the Clerk's Office, and they are in the process of recommending some revisions that will save us at least $99,000. Other revisions they are coming up with may save us even more than that.

When we get into eliminating the number of copies, we would like to work with the people involved and possibly either change some of our recommendations or come up with different ones.

On the House Business Calendar, we are distributing 3,000 of them, and we are proposing that this be reduced by 1,000. On the Senate Business Calendars, we are distributing 1,600. We are recommending that we reduce that by 500.

On numbered documents that are distributed to the House and Senate Documents Rooms, we are recommending that the number distributed be reduced by 50. That would save about $5,000.

On numbered reports that are distributed to the House and Senate Document rooms, we are recommending that the quantity be reduced by 500 copies. That would save us about $67,000.

On bills distributed to the House and Senate Document Rooms, we feel that if they were reduced by 250 copies we would save $120,000 for the remaining seven months.

In fiscal year '85, the average congressional order for hearings was 612 committee copies per hearing. We feel if that is reduced to 300 copies, we could save $432,000 for the last seven months.

On committee calendars, some committees only print them once a year; other committees print them several times during the year. We are recommending that for the rest of the fiscal year all committees would only print the final edition of their calendar. That would save $141,000.

The distribution of the committee copies of the Daily Congressional Record is controlled by the Joint Committee on Printing. They now have a distribution listing of 3,491 copies of the Daily Congressional Record. If that number could be reduced to 1,850, we could save $129,000.

We are asking for enforcement of the extraneous matter rule. JCP feels this is a good way to save some money and it is estimated that there would be a reduction of approximately one thousand pages if the rule was enforced. That would be a savings of $61,000 for the remaining seven months.

We are recommending a reduction in the number of committee prints from 700 copies to 300 copies to save $350,000.

And we are recommending that material that is submitted for hearings be more closely monitored; that studies, appendices, et cetera that are submitted at the hearing not be printed in their entirety but be referenced as being available in the committee files.

There is a lot of that being done now, but we think some improvements can be made there. We feel we could save $414,000.

That gives us $2,984,000 for Congressional Printing and Binding.

PRINTING AND BINDING PROPOSALS

On Printing and Binding, we have 11 areas where we feel we can cut.

The first one would be bylaw distribution reductions. We have already achieved that reduction in '86 for the entire year. We reviewed the bylaw distribution lists and surveyed the recipients. We were able to either get them to submit requisitions or they decided they no longer needed the publications. We have been able to save $51,000.

On Treaties and Other International Agreements, which are printed on receipt of a request from the Secretary of State, the funding comes out of the Printing and Binding Appropriation. We are recommending that either these be discontinued for the rest of the year or the Department of State pick up the cost of them. They are printed individually throughout the year and then at the end of the year are printed in a compilation. We feel the individual printing can be eliminated.

The Library of Congress, under section 1718, can receive up to 25 copies of most publications. If we limit this to up to 20 copies, we could save $35,000.

Under the Printing and Binding Appropriation we furnish copies of the Daily Congressional Record to executive agencies. We propose to furnish these copies in microfiche format rather than hard copy. If they still wanted the hard copy they would be required to pay for it. We would save $32,000.

We are recommending reducing the number of public bills and resolutions that each agency can receive under Section 1110, Title 44, from five to three copies. The Department of State, under that same section gets 10 copies. We are recommending they go to eight copies. That would save us $21,000.

Right now GPO gets two copies of documents and reports to help prepare the serial sets. We are recommending that GPO start paying for them rather than P&B paying for the copies.

In addition, the Public Printer is entitled to retain five copies of all documents, bills, and resolutions for official use. We are going to limit that to two copies. That would save $5,000.

Section 715 allows the Department of State to get 20 copies of House and Senate documents and reports. We propose to reduce that to ten copies and save $3,000.

Again, the enforcement of extraneous matter rule would save $150,000 in the appropriation.

We are going to reduce the distribution lists coming in on various miscellaneous publications. We feel we can reduce them and come up with a savings of $55,000.

We are also recommending a small reduction in the House and Senate constituent lists. We recommend the number of copies be reduced from 50 to 37 for each Senator and from 34 to 25 for each Representative.

We are proposing that if the Members would like to receive the same number, we could substitute microfiche copies and they could get three copies of microfiche for every one hard copy they are willing to give up.

These are our proposals.

Mr. **Fazio**. Thank you, Mr. Cannon.

Ralph, have you or Mr. Jenifer assessed the potential impact of these proposals. Are you sensitive to the impact in Congress?

Mr. **Kennickell**. We are aware of the cuts and we were involved in the decision-making process as to what we would propose for potential cuts. We are certainly sensitive to the prerogatives of the Members especially as to the number of copies. I consider that part of our service to you and any time we suggest changing the number of copies you receive, I do that with a certain degree of delicacy.

The impact on those other than Congress, we would think would be less.

REDUCED RATES

Mr. **Fazio**. A lower rate would enable us to continue to obtain many or all of the items you propose to eliminate. Instead of cutting back on the number of Records distributed, such as the Business Calendar, which is an important reference used during House floor proceedings, and other documents, perhaps you have the choice of making efficiences at the plant and in your overhead that would lower your rates? I am interested in your thoughts.

Mr. **Cannon**. Mr. Fazio, we built in all the possible savings we could when we submitted our original request and our request for '86, if you remember, was about $78.9 million, which was reduced to $69.4 million. It is very difficult to reduce this any further without reducing the volume of work.

Mr. **Fazio**. In response to the GRH reductions, a number of agencies have planned furloughs, curtailed projects, delayed capital expenditures, and reduced lower priority overhead functions.

Tell us what the GPO will be able to do to reduce the burden which is going to be placed on essential Congressional printing services?

Mr. **Kennickell**. Well, sir, in addition to the Gramm-Rudman sequestration of $4.5 million that we already mentioned, the GPO administrative areas also have a sequestration of $1,122,000 which is included in the Revolving Fund of the GPO. I have already taken care of those savings and I have done that in such a way that no one will be furloughed or will hit the streets as a result of this $1,122,000 sequestration.

Mr. **Fazio**. I am sure that is reassuring to a number of people who work there. Could you provide an estimate of the efficiencies or changes in plant resources that would be required to lower rates sufficiently to maintain current service level? I would appreciate that information for the record.

[**Clerk's note**.—The information follows:]

In terms of average cost per unit of output, our productivity would have to increase by over seven percent for the remaining seven months of FY 1986. The necessary productivity increase in terms of direct labor hours per unit of output would have to be significantly greater in order to absorb mandatory cost increases. However, we had already factor-in absorption of most cost increases in the 1986 appropriations before the sequester. Therefore, additional productivity increases sufficient to offset the sequester amounts are not possible in FY 1986.

[The statement relating to GHR reductions follows:]

The Government Printing Office (GPO) will be required to implement proposals to reduce spending to conform to the requirements of P.L. 99-177. A total of $4,469,000 will be sequestered from the Congressional Printing and Binding, the Printing and Binding, and the Salaries and Expenses Appropriations. In addition, GPO will be required to sequester $1,222,000 from several internal administrative areas which are funded by the GPO Revolving Fund. The reductions to be made to these Revolving Fund areas are under my control and I assure the Committee that they will be made. The reductions to the three appropriations, however, are basically outside of my control. GPO responds to the demands of Congress and provides the printing and binding services necessary for Congress to fulfill its mission. The proposals we are submitting for your consideration are only suggestions for reducing these appropriations. We have consulted with the staffs of the Joint Committee on Printing and the Legislative Branch Appropriations Subcommittees in developing these cost reduction proposals. We recognize that the services to Congress will be reduced if these proposals are implemented, especially those that deal with reducing the number of copies furnished. However these proposals can be changed, if you so direct, or they can be replaced with alternative proposals. We are willing to offer our time and expertise to work with the appropriate officials in this effort.

P.L. 99-177 requires the sequestering of a percentage of administrative expenses included in revolving funds. Based on this requirement, administrative expenses in the GPO Revolving Fund will be closely monitored and controlled both by the Comptroller and by each applicable cost center manager to assure that the necessary reductions are achieved. Although the sequester applies only to administrative expenses, it will be necessary for GPO to carefully monitor all costs to assure that expenses do not exceed available funds.

1. Personnel Compensation Personnel compensation and benefits account for about 58 percent of the administrative expenses in the Revolving Fund. Through the elimination of positions or delays in the filling of vacancies, it will be possible to achieve most of the required cost savings for 1986. A reduction of 22 FTE's will result in a cost avoidance of about $680,000.

2. Other Object Classes Through reductions in controllable expenses such as rent, communications, supplies, travel, training and other services, a cost reduction of about $542,000 will be achieved.

The programs administered by the Superintendent of Documents under the Salaries and Expenses Appropriation are mandated by law and program levels are largely beyond the control of the Government Printing Office. For example, the majority of the cost in this appropriation is for the printing of publications to be distributed to Depository Libraries. The volume of titles distributed depends on decisions made by various Governmental agencies, and the number of copies distributed depends largely on selections made by about 1,390 libraries. Nevertheless, there are some actions which can be taken without legislative amendments. The Government Printing Office proposes the following actions in order to achieve the sequester amount:

	Savings
1. Reduce Administrative Overhead Costs	$47,000
2. Elimination of Catalog Contract	153,000
3. Reduction of Personnel Compensation	100,000
4. Increased Use of Microfiche for Depository Libraries	688,000
Total	$988,000

1. Reduce Administrative Overhead Costs Various actions taken to reduce overhead costs charged to the Superintendent of Documents programs will achieve a cost savings of about $47,000. These costs are for ADP support, personnel, financial and other administrative services.

2. Elimination of Catalog Contract Elimination of contractor support for the cataloging of government publications will achieve a cost savings of about $153,000. In-house resources will be used exclusively for this function.

3. Reduction of Personnel Compensation Although backlogs will occur, by delaying the filling of vacancies and reducing the use of overtime, a cost savings of $100,000 can be achieved.

4. Increased Use of Microfiche for Depository Libraries Several years ago, the Joint Committee on Printing initiated procedures to reduce the cost of the Depository Library Program by approving the use of microfiche, in lieu of paper copies, for distribution to depository libraries. Although 54 percent of publications are being distributed in microfiche at the present time, there is a potential for even greater savings in this area. Additional publications can be identified for distribution in microfiche to achieve an additional cost reduction of about $688,000 in printing and postage costs.

As I said earlier, the printing and binding services provided by the Government Printing Office (GPO) under the Congressional Printing and Binding Appropriation (CP&B) are required by law and are necessary for Congress or its components to carry out their mission. Since all of these services are subject to the fluctuating workload of Congress, it is difficult to accurately estimate their needs. Because of this workload uncertainty, Congress has made provisions over the years in the Appropriations Acts for the use of current year funds to cover prior year requirements. However, based on the assumption that the FY 1986 approved CP&B reflects the Congressional workload that will be received in FY 1986, the GPO proposes that the following actions be agreed to by the Legislative Branch Appropriations Subcommittees to achieve the amount required to be sequestered by PL 99-177:

	Savings
1. Wall Calendars	$159,000
2. Serial Sets	72,000
3. Messenger Hand Delivery of the Congressional Record	9,000
4. Members Copies of the Daily Congressional Record	2,000
5. Details to Congress-Overtime	454,000
6. Bills Produced on Electrostatic Copier	257,000
7. Eliminate Preliminary Pages on Reports	47,000
8. Soil Surveys	100,000
9. Revise Format of House Business Calendars	99,000
10. Business Calendars	66,000
11. Documents to Congress	5,000
12. Reports to Congress	67,000
13. Bills to Congress	120,000
14. Committee Hearings	432,000
15. Committee Calendars	141,000
16. Committee Copies of the Daily Congressional Record	129,000
17. Enforcement of Extraneous Matter Rule	61,000
18. Committee Prints	350,000
19. Monitor Material Submitted for Hearings	414,000
Total	$2,984,000

1. Wall Calendars By direction from the Office of the Clerk of the House, GPO's Customer Service Staff redesigned the House Wall Calendar, with the priority being to cut cost while at the same time producing a product acceptable to the House Membership. The estimated saving of approximately $159,000 has already been achieved.

2. Serial Sets Beginning with fiscal year 1986, Serial Sets are no longer handled as rush work resulting in an estimated cost saving of approximately $72,000 for the entire year.

3. Messenger Hand Delivery of the Congressional Record The elimination of messenger delivery of the Daily Congressional Record would save about $15,000 annually. If this provision is implemented for the last seven months of FY 1986, a saving of $9,000 will be achieved.

4. Members Copies of the Daily Congressional Record Section 906 of Title 44 U.S.C. authorizes each Member of Congress to receive three copies of the Daily Congressional Record. If each Member were to get only two copies, the current distribution list would be reduced by 23, for a savings of $2,000 for the remainder of FY 1986.

5. Details to Congress-Overtime Government Printing Office employees on detail to Congress work approximately 25,000 overtime hours annually. Based on this data, the elimination of overtime for details to Congress would save approximately $778,000 annually, or $454,000 for the remaining seven months of FY 1986.

6. Bills Produced on Electrostatic Copier A source of savings would be to implement a proposal to print certain Congressional Bills having either a small quantity requirement (such as Engrossed Bills) or a limited number of pages on a high-speed electrostatic copier utilizing side stitching. If this proposal were implemented on March 1, 1986, a savings of about $257,000 in FY 1986 printing costs could be expected.

7. Eliminate Preliminary Pages on Reports Many House and Senate Reports are printed with 4-8 preliminary pages containing nonessential information. Elimination of this unnecessary material would result in savings of about $47,000 for the last seven months of FY 1986.

8. Soil Surveys Soil Surveys are printed by the Department of Agriculture. Representatives and Delegates may receive 1,000 copies of each Survey in their district and each Senator may receive 250 copies of each Survey in their state. The Agriculture Department usually has between 50 and 75 Soil Surveys printed each year. If each Representative and Senator were to receive only one-half their allotted amount, the saving would be approximately $100,000 in FY 1986. Section 1342 of Title 44 states "...., the actual number to be determined on inquiry by the Secretary of Agriculture made to the Senators and Representatives,...."

9. Revise Format of House Business Calendars It is proposed to print only changes to the list of public laws, private laws, and House bills and Senate bills pending on the calendar sections in the Daily House Business Calendars, and print these sections in full in the Monday Index issue. This could effect an estimated savings of approximately $171,000 annually, or $99,000 for the last seven months of FY 1986.

10. Business Calendars It is proposed that the number of Daily House Business Calendars printed be reduced by 1,000 and the number of Senate Business Calendars be reduced by 500. A savings of $66,000 would be achieved during the remainder of FY 1986; $55,000 would be saved on the House Business Calendar and $11,000 would be saved on the Senate Business Calendar. There are currently 1,642 Senate Business Calendars and 3,030 House Business Calendars being printed each Legislative day for the use of the Congress.

The House Daily Business Calendar distribution is as follows:

	Copies
House Tally Clerk	32
Speaker of the House	16
House Post Office	1,550
House Document Room	200
Senate Post Office	1,150
House Appropriation	12
Senate Printing Service	70
Total	3,030

The distribution of the Monday Index issue is the same as above except an additional 200 copies go to the House Document Room.

The Senate Daily Business Calendar distribution is as follows:

	Copies
House and Senate	5
Senate Chambers	175
Secretary of the Senate	200
Clerk's Office	12
Senate Post Office	1,250
Total	1,642

11. Documents to Congress It is proposed that the number of copies of Documents distributed to the House and Senate Document Rooms be reduced by 50. The savings for FY 1986 would be about $5,000. Copies for public distribution could be made available through the Superintendent of Documents Sales Program.

The distribution of all House and Senate Documents which are paid for by the Congressional Printing and Binding appropriation follows:

Description	Copies	
	Senate Documents	House Documents
House Document Room	75	250
Senate Document Room	200	150
Senate Printing Clerk	15	-
House Clerk	5	5
Committee on House Administration	1	1
Senate Committee on Rules and Administration	1	1
House Bill Clerk	2	2
House Legislative Counsel	3	3
Senate Library	2	2
Revision of Laws	1	1
Total	305	415

12. Reports to Congress It is proposed that the number of copies of Reports distributed to the House and Senate Document Rooms be reduced by 500 copies. The saving for FY 1986 would be about $67,000. Copies for public distribution could be made available through the Superintendent of Documents Sales Program.

The distribution of all Reports on Public Bills and Resolutions which are paid for by the Congressional Printing and Binding Appropriation follows:

Description	Copies Senate Public Reports	 House Public Reports
House Document Room	250	700
Senate Document Room	850	400
Congressional Committee	150	150
Office of Legislative Operations	4	4
House Legislative Counsel	3	3
Senate Legislative Counsel	1	1
House Clerks Document Room	5	5
House Committee on Appropriations	3	3
Total	1,266	1,266

13. Bills to Congress It is proposed that the number of copies of Public Bills distributed to the House and Senate Document Rooms be reduced by 250 copies. The saving for FY 1986 would be about $120,000.

The distribution of all Public Bills and Resolutions which are paid for by the Congressional Printing and Binding Appropriation follows:

Description	Public Bills Introduced in the House	Public Bills Reported in the House	Public Bills in the Senate
House Document Room	500	700	250
Senate Document Room	250	250	850
Congressional Committee	150	150	150
Office of Legislative Operations	2	2	2
House Journal Clerk	1	1	1
Senate Legislative Counsel	3	3	3
House Legislative Counsel	1	1	1
Daily Digest	1	1	1
Total	908	1,108	1,258

14. Committee Hearings Based on FY 1985 billing statistics the average Congressional order for Hearings was 612 committee copies per hearing. It is proposed that committees be limited to only 300 copies of each hearing. The potential savings would amount to approximately $741,000 annually. For the last seven months of FY 1986, a cost savings of about $432,000 would be achieved. It is possible that 300 copies would be sufficient for official committee use. Copies for public distribution could be made available through the Superintendent of Documents Sales Program.

15. Committee Calendars Legislative Calendars were printed by 37 Committees in FY 1985; these publications cost $561,880 for 84 editions. If each Committee only printed their final edition of these calendars there would have been a savings of $242,450. Based on these figures, if the Committees would only print their final edition there would be an estimated saving of about $141,000 in FY 1986.

16. Committee Copies of the Daily Congressional Record Congressional Committees receive a total of 3,491 copies of the Daily Congressional Record. If that number is reduced to 1,850 for the balance of FY 1986, the estimated saving would be $129,000.

17. Enforcement of Extraneous Matter Rule It is estimated that there would be a reduction of approximately 1,000 pages annually in the Daily Record if the rule on printing extraneous matter was enforced. This would result in a potential annual savings of approximately $104,000, or $61,000 for seven months.

18. Committee Prints Based on FY 1985 billing statistics, the average congressional order for committee prints was 700 copies per print. It is proposed that committees be limited to only 300 copies of each print. The potential savings would amount to approximately $600,000 annually, or $350,000 for the last seven months of FY 1986.

19. Monitor Material Submitted for Hearings It is recommended that material submitted for hearings be more closely reviewed and that studies, appendices, etc. that are submitted at the hearing, not be printed in their entirety, but be referenced as being available in the Committee files. In addition, it is recommended that when statements are both submitted and spoken, only one version be printed in the hearing. It is estimated that $414,000 could be saved over the last 7 months of the fiscal year.

Very similar to the requirements of the Congressional Printing and Binding Appropriation, the printing and binding services provided under the Printing and Binding Appropriation (P&B) are also required by law and are necessary to provide copies for distributions to recipients other than Congress authorized by law to receive these copies. Since the number of copies provided are subject to the fluctuating workloads of Congress it is difficult to accurately estimate this number. However, again based on the assumption that the FY 1986 P&B reflects the Congressional workload, GPO proposes that the following actions be agreed to by the Legislative Branch Appropriations Subcommittees to achieve the $497,000 required to be sequestered by P.L. 99-177:

	Savings
1. By Law Distribution Reductions	$51,000
2. Treaties and Other International Agreements	75,000
3. Reduce Library of Congress Distribution	35,000
4. Congressional Record - Agency Copies	32,000
5. Section 1110, Reduce Number of Public Bills and Resolutions - Agency Copies	21,000
6. Section 738, Transfer Cost of Sample Library Edition Copies	1,000
7. Section 1712, Reduce Number of Documents for Use of the Public Printer	5,000
8. Section 715, Reduce Number of Senate and House Documents and Reports for the Department of State	3,000
9. Enforcement of Extraneous Matter Rule	150,000
10. Reduce Distribution Requirements for Miscellaneous Publications	55,000
11. House and Senate Constituent Lists	69,000
Total	$497,000

1. By Law Distribution Reductions Based on a review of our By Law distribution lists and a survey of selected recipients a reduction of about $51,000 in the amount to be billed to the 1986 Printing and Binding Appropriation has already been achieved.

2. Treaties and Other International Agreements Treaties and Other International Agreements (TIAS) are printed upon receipt of copy from the Secretary of State. Based on FY 1985 billing statistics, 85 such publications cost $101,706. Also, these treaties are compiled and printed as "Treaties and Other International Agreements" once or twice a year. The printing of these publications for the remainder of FY 1986 could cost approximately $75,000 in Printing and Binding Appropriation funds. It is proposed that the Department of State assume responsibility for funding these publications.

3. Reduced Library of Congress Distribution Section 1718 of Title 44 requires the distribution of up to 25 copies of most publications to the Library of Congress for their official use. It is proposed that GPO only distribute up to 20 copies of all publications to the Library. If Congress agrees to this reduction, the estimated savings would be about $60,000 annually, or $35,000 for the last seven months of FY 1986.

4. Congressional Record - Agency Copies Agencies and independent departments receive a total of 460 copies of the Congressional Record. If these agencies were to be required to accept microfiche, the savings to the Government would be about $32,000 for the last seven months of FY 1986. Agencies still requiring paper copies would be required to pay for them.

5. Section 1110, Reduce Number of Public Bills and Resolutions - Agency Copies Each executive department, independent agency and establishment is authorized 5 copies of public bills and resolutions, except the State Department, which is authorized 10 copies. Currently, 20 agencies receive 5 copies, 2 agencies receive 4 copies, and 6 agencies receive 3 or less. It is proposed to limit the State Department to 8 copies, and all other agencies to 3 copies. This would result in an annual savings of about $36,000, or $21,000 for the last seven months of FY 1986.

6. Section 738, Transfer Cost of Sample Library Edition Copies Section 738 of Title 44 requires the binding of publications for distribution to libraries. The Printing and Binding Appropriation is currently billed for two copies which are used in the preparation of binding formats for library Editions. It is proposed that the Government Printing Office pay for these copies. This would amount to an annual savings of about $2,000 to the Printing and Binding Appropriation, or $1,000 for seven months.

7. Section 1712, Reduce Number of Documents for Use of the Public Printer Section 1712, of Title 44 allows for the retention of 5 copies of all documents, bills, and resolutions for official use of the Government Printing Office. The Printing and Binding Appropriation is currently billed for these official use documents. It is proposed that the Government Printing Office be limited to two copies of these publications. This would result in an annual savings of approximately $9,000 or $5,000 for the seven-month period.

8. Section 715. Reduce Number of Senate and House Documents and Reports for Department of State Section 715 of Title 44 requires the furnishing of twenty copies of each House and Senate document and report to the Department of State. It is proposed that this number be reduced to ten copies at an annual savings of $5,000, or $3,000 for seven months.

9. Enforcement of Extraneous Matter Rule It is estimated that there would be a reduction of approximately 1,000 pages annually in the Daily Record if the rule on printing extraneous matter was enforced. This would result in a potential annual savings of approximately $257,000, or $150,000 for seven months.

10. Reduce Distribution Requirements for Miscellaneous Publications If the number of copies of Miscellaneous Publications that are currently being distributed bylaw were to be reduced, there would be a potential saving of approximately $55,000 for the last seven months of FY 1986.

11. House and Senate Constituent Lists The current authorized constituent distribution list for copies of the Congressional Record is 50 for Members of the Senate and 34 for House Members, Resident Commissioners and Delegates. It is proposed that each of these amounts be reduced. If the authorized constituent copies were reduced to 37 for each Senator and 25 for each Representative, the saving for the balance of FY 1986 would be $69,000. At the same time the substitution of one hardcopy recipient for 3 microfiche recipients could be allowed. The Public Printer could notify current recipients of this restriction and inform them of how to subscribe through the Superintendent of Documents Sales Program if they still required copies. The reduction would affect the authorized distribution lists of 59 Senators, and 134 Representatives, Resident Commissioners, and Delegates.

FEDERAL RETIREMENT CHANGES

Mr. Fazio. Let's proceed to some other issues. Have you assessed the potential impact of the proposed changes in the Federal retirement law in GPO's work force. Proposals are included in the tax bill that would affect retirees.

Tell us about the impact it might have on your work force?

Mr. Kennickell. Well, Mr. Chairman, we have approximately 450 people eligible for retirement now.

Mr. Fazio. How many?

Mr. Kennickell. 450. In the past, one could anticipate 15 percent of those that are eligible would retire within any given year. We completed a survey about a month ago and asked that question as to what impact would there be and it appears as though 30 to 40 percent of those that would be eligible to retire would probably go ahead and opt to make the retirement move.

We have assessed the impact of that within the operating structure. It appears as though somewhere between 100 and 150 would retire from the operations side of GPO. The operations side is what produces the hearings and Congressional Record and other products for Congress. With that number, it appears as though the net impact will be very minimal.

I might have to refill maybe 20 to 30 of those jobs, but I don't see any short term problems that would accrue to GPO as a result of the changes in the retirement plan as we know them.

EXECUTIVE BRANCH PRINTING

Mr. Fazio. Let me ask you a rather general question, but one on which you can provide an off-the-cuff reaction.

Does the Executive Branch do too much printing? Are there too many agencies with their own printing plants? A good deal of overhead is required by those agencies? Would we be better off if the GPO did more printing?

Mr. Kennickell. Mr. Chairman, I have reflected on that for over a year now. The Executive Branch has in the neighborhood of 850 printing and duplicating facilities scattered in sites all across the continental United States employing somewhere around 9,000 civilian and military personnel.

The Department of Defense has in the neighborhood of 6,000 printers. They produce approximately $450 million in gross volume or at least that is what they indicates their cost. History has shown that the GPO printing procurement system, which is a nationwide operation, could procure that additional amount of printing; that $450 to $500 million of printing.

We could procure that for roughly half of what it is costing the taxpayer to have it produced in those 850 printing and duplicating facilities. That is considered as a permanent initiative of mine to bring that to the attention of everyone.

The GPO last year had a historical high in the amount of procured printing. We did $597 million worth of business in the private sector. We issued somewhere around 320,000 printing orders. We have 10,000, very successful, highly competitive printers all across the country competing for our work.

We have an initiative going on now whereby the GPO is opening up satellite procurement offices in some of the areas where we have substantial printing agencies. We are taking the service right down to them, much like a private sector firm would do.

The first satellite office was opened in San Antonio, Texas at Kelly Air Force Base. Reports we have from the Air Force indicate that they are absolutely delighted with how it is performing.

A second office in Charleston, South Carolina, was opened October 31 of this past year. I look forward to opening additional offices in New Orleans.

Mrs. **Boggs**. Good. C'est si bonne.

Mr. **Kennickell**. I am looking for some additional sites.

Mr. **Myers**. You don't have to look any further.

Mr. **Kennickell**. I see a potential within the next 12 months of possibly five more sites, in addition to the two I have already opened. What we are doing, sir, is taking the service right down to the agency. In addition, what we are enhancing is the necessary systems within GPO to support increased procured volume.

I am ready. The GPO is ready.

Mr. **Fazio**. I am glad I asked this question. It relates to the letter you sent us on the 31st of January. In general I support your efforts.

A copy of the letter is inserted for the record.

[The letter follows:]

1861 · 125th ANNIVERSARY · 1986

United States Government Printing Office
Washington, D.C. 20401

OFFICE OF THE PUBLIC PRINTER

January 31, 1986

Honorable Vic Fazio
Chairman
House Committee on Appropriations
House Subcommittee on
the Legislative
Room H-301, The Capitol
Washington, DC 20515

Dear Mr. Chairman:

With the passage of Gramm-Rudman-Hollings, the vast government complex is challenged to find specific ways to make these reductions with the least harm to the Nation's best interests.

It can be assumed defence hardware will remain a top priority since providing for America's security is the unique obligation of the Federal Government and no other American institution can spend on national defense.

In contrast, most domestic programs targeted for reductions can be effectively performed by the private sector or by state and local governments -- which together ran a multi-billion dollar surplus in 1985.

At GPO we are aware that contrary to widespread misunderstanding, Gramm-Rudman-Hollings does not dictate how or where cuts in Federal spending will occur. It was offered as a process, and has now become a law that will force the Federal Government to meet specific deficit reduction targets enroute to a balanced budget in FY 1991. Gramm-Rudman-Hollings will be triggered only if Congress fails to pass a budget achieving those targets.

The GPO is convinced it can make a meaningful contribution to both the spirit and the letter of Gramm-Rudman-Hollings. There are at least 350 printing and duplicating plants operated by Federal departments and agencies requiring $400 million and a workforce of 9,000 personnel. While some of these might be necessary to a specific agency, the bulk of these can be phased out by transferring their responsibilities to the GPO who would in turn contract for this printing in the private sector. Last year, GPO placed over $600 million (75% of our total work) in the private sector thereby saving the taxpayer approximately 50 cents of every tax dollar. In addition, these expenditures in the private sector are taxed and provide a second saving. In short, they do twice the work at half the price without loss of quality and service.

The GPO has in place a nationwide network of regional printing procurement offices capable of meeting increased Executive Branch requirements. We have a commercial printing procurement bidding list of more than 10,000 private firms able to bid competitively on this work. The standard procurement documentation is in place and known by commercial bidders. The GPO is prepared to make necessary adjustments to our procurement operations to accommodate the increased workload by plant closures.

GPO would like to meet with you, in the near future, to discuss specifically the authorizations and appropriations now designated or used for printing expenditures. Our track record convinces us that we can provide vital assistance to you and your colleagues in pinpointing those areas that could be privatized, thereby contributing to a partial solution of Gramm-Rudman-Hollings.

We will be contacting your staff to establish such a discussion. We hope you share our optimism of our ability to help.

Very truly yours,

RALPH E. KENNICKELL, JR.
Public Printer

AIR FORCE PRINTING FACILITY

Mr. FAZIO. I am particularly pleased that we have had some movement on the Air Force offset web press at Gunter Air Force Base in Alabama. That issue was before this committee last year. We communicated with Secretary Orr, the Secretary at that time.

Do you want to comment?

Mr. KENNICKELL. Yes, sir. Not only have we had activity, they have surplused the press and the GPO has found a need for it.

Furthermore, the Air Force has taken a hard look at the printing facility they have at the Air University at Gunter and they have asked us to see what we could do to accommodate their needs with some sort of total system. We are looking at that now.

It was a good move. I would like to see that replicated.

Mr. FAZIO. The Joint Committee on Printing brought that to our attention as well. We give them credit for having fulfilled their function in that regard.

It sounds like you are going to be very aggressive in reaching out to the private sector, and also to other agencies of the Government. What are you specifically doing to make other cabinet agencies and Government officials aware of the cost components of their printing budgets? What are you doing on an interagency basis through the Executive Branch and through the Appropriations Committee to highlight the need to consider various options.

Mr. KENNICKELL. Well, sir, I have been discussing this issue with the Director and the Deputy Director of OMB and they are aware of my position. They are also very concerned and want to reduce the amount of printing plants and printing in general that is done in the Executive Branch.

I reflect back several years ago when there was a similar downward pressure and it resulted in a recommendation for the limitation or severe downgrading of some 230 facilities. Of those 230 identified, 70 of them were finally acted on. There is a built-in resistance to the change. Another thing that I am doing——

Mr. FAZIO. A large component of that resistance is the fear of a detrimental impact on services. Isn't that correct?

Mr. KENNICKELL. Yes, sir. Most definitely.

Mr. FAZIO. How can you show your responsiveness to the needs of an individual agency?

Mr. KENNICKELL. Sir, I look back and try to reflect on the reasons why the Executive Branch would have 850 printing and duplicating facilities and I am left with only one conclusion, and that is that in the past, the GPO was unprepared to fulfill that mission. I tell you today the GPO is certainly prepared. What we are doing, in addition to surfacing this at the highest levels in OMB is improving our customer service. Jim Joyner, Director of Customer Service, has one—I consider one of the finest jobs in Washington, D.C. He has people that work——

Mr. FAZIO. We have reviewed his job description.

CUSTOMER SERVICE

Mr. KENNICKELL. I stole him from Navy. Our Customer Service Staff has something called account reps. These people are salesmen. They are in the sales business and they go and make sales calls on the printing and publishing people at the agencies and they start asking them how we can do our business better. Anything you need? We have gone out with circular letters indicating that if you need anything printed, how about getting with us up front and let us start looking at the mechanics of your printing needs and try to figure out less expensive ways of doing these things.

I can go on on this forever. Jim, why don't you jump in there.

Mr. JOYNER. One of the key things we are trying to do for the customer now is to make them feel very comfortable with us. I have an excellent group of employees working for me that are carrying out the program that the Public Printer just mentioned, and we are trying to make each customer feel that, at any given time, their job is the only job in the Government Printing Office.

The way that we are doing this is with excellent service. We are also doing an excellent job, I think, in educating our customers. We are explaining to them what we can do for them and not only that, we are backing it up. Our track record now is excellent.

I am getting telephone calls from customers who are saying they appreciate the change. I am also getting a steady flow of letters from customers stating GPO can, in fact, do what you said you would do for me the last time we talked or the last time that we went out to visit them. So it is an ideal program.

Mr. FAZIO. I hope you are putting a brochure together with all those testimonials.

Mr. JOYNER. I brought them with me. I have a binder full of letters.

Mr. FAZIO. That's fine.

Mr. JOYNER. I would have to agree with the Public Printer, I do have an excellent job. I love what I do and the feedback we are getting from the customers makes me feel real good.

Mr. FAZIO. Have you made some breakthroughs in various agencies?

Mr. JOYNER. Absolutely. The one thing we hear from the agencies is, historically, they have been of the opinion that the Printing Office had been taking somewhat of a dogmatic attitude. Now it is sort of an interchange or exchange of information, what do you want, what can we give you, how fast do you want it, yes, we can do it. Each time we meet their requirements, there is a little more relaxed atmosphere and it is really coming off well.

Mr. FAZIO. Given the current budget stringencies, are the agencies looking to you for ideas on saving money?

Mr. JOYNER. I think so. We put out a circular letter about three weeks ago. We referenced the Gramm-Rudman Act and we told the customers we can save you some money. A lot of the customer agencies have people that are dealing with us that are not totally familiar with all aspects of printing so what we are asking them to do is to contact our experts and let us tell you of ways we can save money, paper, various techniques that can make a publication look good without being expensive. Take a close look at distribution, take a close look at how often you put a publication out, should it be monthly or quarterly.

As they call my people, my people are naturally alerted by this and they are looking for ways to help the customer save money and it is the same things as I mentioned before. After those things happen, we get letters saying do you guys realize you saved us $18,000 on a job that normally would cost us a larger amount. So we are getting to them and I think the response we are getting from them is absolutely superb.

SURPLUS EQUIPMENT

Mr. **Fazio**. Thank you. You know, Ralph, we have created another problem by leaving some of the equipment in these agencies idle. There is some potential savings in consolidating some of these agencies in order to productively utilize these employees and certainly, the equipment.

Mr. **Joyner**. I would say that is probably the case right now. We are hoping to get to the place where our service is such that it will make them think about closing some of their printing plants. This is what we are working on, but right now it is sort of a mixed bag.

They want to keep their capability, but if there is something they know we can help them with, they are quick to ask us to help them.

Mr. **Fazio**. Are you informing the agencies that you can find a place for that surplus equipment either in the GPO or through a consolidation effort?

Mr. **Kennickell**. As a reference to that.

Mr. **Fazio**. Is this equipment valuable, how recent was it acquired. I hope that someone is keeping track of acquisitions of equipment, particularly as you take on more responsibility.

Mr. **Kennickell**. Well, sir, probably the most sterling example we have mentioned is the web press that was purchased by Air Force for Gunter. That press incidentally was never delivered.

It is sitting on a loading dock in Dallas, Texas. The GPO does not track the acquisition of printing equipment. That is a JCP function. They would probably be better able to discuss new equipment.

Mr. **Fazio**. We will ask that again when they come before us. They are behind you right now.

Mr. **Kennickell**. Yes, sir. I felt their presence. And what happens is that in the Government when a printing press or piece of related equipment is determined to be no longer necessary, it is surplused and the notification of the intent to surplus a piece of equipment comes to the GPO and we get first crack at it. If we want it and if we have a legitimate use for it, we can take it and put it into our operating system.

Otherwise, it goes through the normal property disposal operations and gets sold. For the most part, the things we see are relatively old. There is not that much great looking equipment out there. If you get a press that is five years old, you have almost a new piece of equipment by some Government standards.

But I have to follow up on something. We were talking about the agencies and changes in attitude. We have done some things for the Department of Army that are so extraordinary to the point where the Director of Publications has built up so much confidence in the GPO system of delivery that they have already indicated—I am sure JCP can comment on this at some point—that they are not going to procure any additional capital equipment for their printing and duplicating plants.

I am impressed. They are the single largest customer GPO has, $140 million in business is what we did with them last year.

Mr. FAZIO. Is that a recent result or an historic position in the GPO?

Mr. KENNICKELL. I can only speak to what I have seen. Joe, are you aware of a change in Army's position? I always thought they were about number one in volume.

Mr. CANNON. Dollar volume, yes.

REGIONAL PRINTING OFFICES

Mr. FAZIO. Having had some experience with the Army, you knew the appropriate sources to attract interest in working with you. Do you anticipate additional requests that relate to the purchase of equipment to further these decentralization efforts or do you have the facilities in regional agencies to do that? If you are going to compete across the country in various Federal installations or regional offices you are obviously talking about redistribution or development of some sort of regional capability. Are we more reliant on the private sector for procuring work outside of the Washington area?

Mr. KENNICKELL. Sir, the GPO is at an historical high with respect to the amount of printing that it has procured in the private sector. We are at 76 percent of our gross printing volume procured. Now we do have several regional printing facilities but we don't consider those as competitors to the private sector.

Those facilities are there to augment that which would not normally be procurable in the private sector.

Mr. FAZIO. Can you expand on that?

Mr. KENNICKELL. Sometimes an agency brings us a requirement says we need it right now and we don't have time for you to bid it out and we will sit down and wait for it. That is not unreasonable. That has happened, but when they put extremely short deadlines on us, and it is a critical piece of work, then we have some capability internally to do that. So we are not really competing with the private sector.

Mr. FAZIO. Are there types of work that the private sector doesn't want, other than short time frame projects that disrupt production work schedules?

Mr. KENNICKELL. There may be some of that, particularly in the major metropolitan areas, say, New York, where they can be a little pickier than they could in some other areas, that is, the private sector printers.

They are more specialized but for the most part it is good solid work. It is just the time constraints are there, maybe some security nature to it also. We have security capability and we will turn it around for them.

It is a supplemental. In fact, our regional printing operations this past fiscal year did right at $13 million worth of business.

Mr. FAZIO. How many do you have?

Mr. KENNICKELL. Sir, there are six.

Mr. FAZIO. Are these printing facilities?

Mr. KENNICKELL. Printing facilities. Some of them are relatively small with, so to speak, a handful of people. Then I have almost 150 people employed at the RRC at the Navy Yard here in Washington that is also classified as a regional printing facility. It is a rapid turnaround operation that serves the Executive Branch and the Postal Service which is a big customer of ours at that facility. I don't see any need for a massive amount of equipment.

Mr. FAZIO. Is there staffing in each of these six facilities?

Mr. KENNICKELL. Staff people are located in Washington where a majority of the work will originate.

Mr. FAZIO. Are decisions made there?

Mr. KENNICKELL. That is right. In the procurement offices themselves, the customer relations function is assigned to the regional procurement office manager and the assistant manager and they make the equivalent of sales calls every day on a selected number of customers.

Mr. FAZIO. I have taken a lot of time, and have much more to review. Perhaps my colleagues have questions at this point.

COST OF CONGRESSIONAL RECORD

Mr. MYERS. I never know to whom I should ask this question. We obviously know the bureaucracy always operates in a sea of paper and we certainly do our share around this Congress in creating our heavy seas.

The Printing Office does print a lot of it. We had a commission on paperwork a few years ago, made a number of recommendations on how we might reduce the volume and the amount of paperwork. I guess nothing was ever done except print the copies of the report at some expense. We do a lot of that, too. Prints that don't ever accomplish anything except gather a lot of dust on shelves someplace.

Each year I ask, but never can look at your reports to determine the cost to print a copy of the Congressional Record. When you think of the bound copies and the paper copies and all of these, each has a different dollar figure. What does each page of the Congressional Record cost? Think of all the copies that are made by all sources. What is the cost of it?

Mr. KENNICKELL. We have some information.

Mr. MYERS. I never can dig it out of your report.

Mr. CANNON. In fiscal year 1986, it is costing $492 for each type page.

Mr. MYERS. That includes every report at the end of the year when you add up the bound copies?

Mr. CANNON. That includes that page being printed in the Daily Record and in the Bound Record.

Mr. MYERS. Almost $500 a page.

Mr. CANNON. Yes, sir. That is for the almost 27,000 copies that we are printing. It is one page.

Mr. MYERS. Including the bound copies?

Mr. CANNON. Yes, sir.

HOURLY COSTS

Mr. **Myers**. The number of hours that the Congress, both the Senate and the House, are in session, what is the volume of pages per hour generated in the House? Can you tell us that? Is there a way of determining that?

Mr. **Morris**. We can give you that for the record by taking your yearly resume that appeared in the last Record of 1985 and dividing the number of pages produced by the number of hours in session. We produced 13,300-some pages of House proceedings in the last session, plus another 5,900 pages of remarks which were probably 99 percent House, and by dividing that by the number of hours you were in session we can give you a figure, if that is what you are looking for.

[The information follows:]

On average, one hour of colloquy on the floor of Congress, in the House or Senate, results in about six pages printed in the Congressional Record at a cost of about $3,000. When extraneous matter, extensions, closing remarks, and digest pages are added, the resulting number of printed pages per hour in session increases to about 18, costing about $9,000.

Mr. **Fazio**. Senators take more time.

Mr. **Myers**. Better not get into that one. Takes them so much longer to say it. The reporter could attest to that. It appears to me that as I summarize and look at the Congressional Record, it takes about ten minutes per page. I don't have the exact calculations, but that does not include all the extensions and inclusions of extraneous fiscal year that often goes in so I don't know how you figure it.

If my figures are right, that cost is almost $6,000 to print that Record for the two hours we have been in session here without any legislative business even being considered.

I don't know where we fit into the Commission on Paperwork on that response but we have some responsibility to discipline ourselves. You people are victims really. You try to get the job done as cheaply as you possibly can and we certainly support you.

Mrs. **Boggs**. It costs television time, too.

Mr. **Myers**. Doesn't CSPAN sell that? I think they do. We have to pay for the camera or whatever it is. I don't know how you discipline Members. Maybe I shouldn't use discipline as the correct word. At least cause them to realize what a tremendous expense this is. We could dig this out for our conferences and say, "look, people, what you are spending. We are all trying to reduce spending here."

We have to live with that word—I can't remember those guys' names. We all have to live with it, but we have to do something about it. This is all a tremendous cost here.

Mr. **Kennickell**. Sir, you would notice that our suggestion on how to accommodate the $4.5 million sequestering for the congressional printing areas reflects primarily—I will just take it on myself and say my personal viewpoint is those are almost housekeeping changes. I don't feel that anyone is going to be damaged in their right to know and the ability to know is certainly not going to be damaged.

COSTS OF CONGRESSIONAL HEARING

Some of the suggestions on how to accommodate numbers of hearings is that people look at things and they say why do we print so many hearings to start with. Well, you know lobbyists like to have hearings. What is going to happen now if all these things are implemented is that I am going to make money on those hearings in addition to the printing. Lobbyists will have to come down to the GPO main bookstore and buy those hearings.

If they want one they will pay for it and other things like that. Now we can't presume to do much more than make suggestions to the Congress because at the GPO, the operating system is a mirror image of that which has been asked of us to become. I will give you an example.

This past weekend we had 9,000 pages of hearing testimony show up and we delivered it Monday, six or seven different documents, 1,500 copies per document, 9,000 pages of text material. There is not a printing company, I dare say, in the free world that I am aware of that would be able to accommodate that on such short notice.

Mr. MYERS. Well, we certainly are not criticizing you at this point or the things that you are suggesting here to save money so that you can live within the funds that have already been reduced for various reasons.

Maybe we ought to devise a microfiche system and forget putting it in the permanent record. I bet we would reduce the time a heck of a lot. Turn the T.V. off on both sides of the aisle, not just one side of the aisle, I must say.

This isn't one of those political things we discussed earlier. It is a real problem. I think as we search for answers we will be forced into something. Maybe we are doing it through the appropriations process. Thank you for your testimony and the job you are doing, all of you. It is everybody working at it and you are doing a heck of a job.

Thank you for your testimony today.

Mr. FAZIO. Thank you.

Mrs. Boggs, any questions?

CATALOGING

Mrs. BOGGS. A few questions.

Yesterday, in another subcommittee, we had hearings on the Office of Consumer Affairs and the Consumer Information Center. They are among the independent agencies that come under HUD/Independent Agencies Subcommittee's jurisdiction.

I was interested in the contractor support suggestion that if you could withdraw contractor support from the cataloging of publications, you could save $153,000. Do you do any of the work for the Office of Consumer Affairs and their cataloging of all the Government publications?

Mr. KENNICKELL. Don would you like to handle that?

Mr. FOSSEDAL. I don't think we do anything directly for OCA. We have budgeted and utilized a cataloging contract for GPO's Cataloging and Indexing Program, but the contract had no connection with OCA. Discontinuance of the contract represents a savings of $153,000 and is included in the sequestration.

The cataloging contractor did a good job, but we have been able to actually increase productivity without the contract.

As far as the Consumer Information Center is concerned, they are a GSA agency and we do fulfillment work for them out of our Pueblo operation. We talk with them all the time and we are very involved in supporting their programs. In fact, they help us with a couple of our programs.

Mrs. **Boggs**. That is what I thought. The Office of Consumer Affairs' budget has been cut 80 percent. They do the cataloging of the publications for consumer groups and work with you and through the CIC in Pueblo. They do not anticipate as much business because of the people won't be receiving the catalogue brochures from the Consumer Affairs Office.

Both agencies were very complimentary of GPO. They were especially complimentary, at the cost you had arrived at for repayment of actual printing costs of many publications that were formerly sent free. If people wanted more than one, they had to pay.

So that I was wondering how the cutback in their operations are going to affect your operations. Will there be any cost savings because there wouldn't be as much printing or as much distribution of the work that you do for them?

Mr. **Kennickell**. I am not aware of any assessment right now that would lead us to have an understanding as to how that would impact our Pueblo distribution facility but as sort of a side issue along the same area I have also broached an issue with OMB. They have promulgated a circular known as A-130 which in a nutshell says if you are going to be in the information dissemination business, be business-like about it. Not really knowing what the impact of all these cuts and sequestrations and all these other things that are happening now is going to have on the ability of the public to be a well informed body, I have asked OMB to consider legislating the Superintendent of Documents into a very prominent role, even more than it is right now, and possibly do a much more detailed distribution of information.

A couple of years ago, a strategic study was done in the GPO on how many different places around the Executive Branch there are information dissemination organizations. There were, I believe, 349 different points and that study—I am drawing this from memory now—that study indicated that 17 percent of them had an annualized expense of around $100 million?

Mr. **Jenifer**. That is right.

Mr. **Kennickell**. That is all we identify. That sort of ties into the question the Chairman asked, does the Federal Government do too much printing. A lot of these costs are just sort of buried everywhere and no one really knows.

I hate to see things that people depend on go by the wayside, and I hope the Superintendent of Documents operation would be a beneficiary of a much more business-like approach to information dissemination and the more volume SUDOCS has, quite frankly, the more opportunity I have to spread some fixed costs around to more different increments and I can make information available to those that truly want it at a reasonable price.

I hope that I can offer SUDOCS and our reimbursable operations to fill in some of the voids.

Mr. FOSSEDAL. First, if I may back up to the Consumer Information Center for a moment. We are very pleased with the relations we have with Teresa Nasif and her staff at CIC. If their funding is impacted, it will impact us as we support them in Pueblo. In fact, the program they are so happy with was initiated two or three years ago. It is called the Low Priced Publications Program.

INTERNATIONAL EXCHANGE

Mrs. BOGGS. I was noticing in the testimony, too, that you wanted to send some of the international exchange funding over the Superintendent of Documents. How is that going to work?

Mr. KENNICKELL. There is a proposal I have for International Exchange funding.

Joe, why don't you talk about that and then, Don, how about touching the international aspects and distribution of foreign exchange books.

Mr. CANNON. First, on the International Exchange funding, Mrs. Boggs, this was a proposal to try to reduce some of the administrative expenses at the GPO that we expend for what we consider a small program. Currently we calculate and process through the entire billing system approximately 30,000 to 35,000 individual bills to agencies for the International Exchange copies for which they are responsible. This is done at the same time that we bill the agency for their regular copies, but a separate bill is processed because they want to have the cost for their regular copies separate from the cost for their International Exchange copies.

Since we don't know the actual cost at this time, these bills are based on estimates. Then, once a month, when the depository microfiche contractor bills us, he bills us for both the depository copies and the International Exchange copies.

At that time, we again calculate the actual cost of the International Exchange copies and remove this cost from the bill before we send it to the depository program. What we want to do is do away with the estimated bills that are billed throughout the month and only bill the Salaries and Expenses Appropriation once a month for the actual International Exchange cost.

The bottom line is we would be reducing overhead costs, we think by about $150,000 at GPO, as well as some administrative costs at the agencies that review these bills. That is basically it. We have recommended this to try to save some administrative costs.

Mr. KENNICKELL. You might also be interested in what I consider a bold new initiative that we kicked off back in October and I would like for the Superintendent of Documents, Don Fossedal, to share that information with you.

Mr. FOSSEDAL. As the Public Printer said, if we increase our volume, we can lower prices for the consumer over the long term. Specifically, the new international initiative named U.S. Books Abroad, was really started by the National Security Council which wanted more U.S. books disseminated overseas.

About a year ago we began talking with USIA which was involved in implementing this program. They were very interested in bringing the Government Printing Office into U.S. Books Abroad. One of the first things we did was get very involved with them in connection with the Frankfurt Book Fair, where we exhibited more than 150 books and met with many book importers and exporters.

We were enthusiastically received in Frankfurt and since then we have been increasing our participation in the U.S. Books Abroad Program. We already have several new accounts onboard that we think will help us greatly increase in the beginning the sale of U.S. Government publications abroad.

We do have some problems to work out in connection with exchange rates, our inability to have exclusive distributorships, and a lot of other things that the law does not allow. But, I think generally we are on the way to increase sales of American publications abroad, particularly Government publications.

Again, in the big picture, the macro picture, this is important to us because the more we sell, the more we can hold the line on the prices of publications we sell to the public.

Mrs. BOGGS. Thank you.

Thank you, Mr. Chairman.

Mr. FAZIO. Thank you, Mrs. Boggs.

I want to confirm that the International Exchange Program will remain in the Printing and Binding Appropriation and not be transferred to the Salaries and Expenses Appropriation; is that correct?

Mr. CANNON. We were proposing that it would be changed.

Mr. FAZIO. Do you continue to make that proposal?

Mr. CANNON. We were going to, yes, sir. That was part of our proposal. We understand why you feel that the executive agencies should be bearing the cost of publications, for which they are responsible and we understand the feeling of the committee on that.

Mr. FAZIO. I have a question to be submitted and answered for the record.

[The question and response follow:]

PRINTING AND BINDING

Question. The Printing and Binding appropriation provides funds for the Congressional Record sent free to the press, agencies, judges, and Members-designated recipients. Also, in this program are the International Exchange program, and other government publications authorized by law to be distributed free of charge to the recipient other than those necessary for the conduct of House and Senate business. The budget request is $15.4 million. The increase is due to postponing the FY 1986 bound record, which is also paid for from this appropriation.

Explain why you want to remove the International Exchange program from the Printing and Binding Appropriation to the Salaries and Expenses Appropriation? Clarify for the record.

Response. The proposal is designed to reduce personnel and operating costs. Title 44 U.S.C. provides for certain publications to be distributed to the International Exchange Program. I am proposing that Title 44 be amended and that funding for these publications be transferred to the Superintendent of Documents, Salaries and Expenses Appropriation.

The International Exchange Program, formalized by the Brussels Convention of 1886, provides for the exchange of U.S. Government publications in return for official publications of participating foreign governments for delivery to the Library of Congress. The Superintendent of Documents is responsible by law for distributing these International Exchange publications, with the costs for the printing and binding and distribution being reimbursed by the agencies originating the publication. Amending Title 44 will allow for a direct appropriation to the Government Printing Office and eliminate the need to bill the many government agencies for this reimbursement. This will allow us to reduce our personnel requirements for our Billing Branch by approximately four positions with a resulting decrease in our overhead costs. It would also reduce administrative costs for the agencies billed. Our estimates for fiscal year 1987 include $700,000 for the Exchange Program in the Salaries and Expenses Appropriation. However, we were able to exclude about $200,000 for the Printing and Binding Appropriation for publications included in the Exchange Program originated by Congress. Therefore, the increase to our total request is only $500,000.

GPO RATES

Mr. FAZIO. I appreciate your understanding of our feeling. The Congressional Printing and Binding appropriation is at $71,500,000, which is about $5 million above the 1986 sequestered level.

We see some of your rates going up in 1987. The Daily Record from $103 to $107 per page, miscellaneous printing, $55 to $58 per thousand. Why isn't the automation process bringing these rates down? Is it higher labor costs? Are there other factors? You mentioned overhead that you would like to try to spread more broadly. What is it that is causing these rate increases in 1987?

Mr. CANNON. I am sorry you didn't mention some of the other categories which show decreases.

Mr. FAZIO. This is your turn. I would begin if I were you by mentioning them.

Mr. CANNON. We feel that most of the categories show decreases. We also feel that the automation process has helped us hold the line on our rates. We know that some of them are going up slightly.

The last couple of years we have really tried to keep our rates in line. We have tried not to have large increases and we base our rates, Mr. Chairman, on our actual costs. Since we pass the actual cost on to you, the productivity increases and the automation efforts that help us keep our costs in line, are passed on to you.

Mr. FAZIO. Has anyone ever validated the accuracy of your accounting in terms of passing on the cost?

Mr. CANNON. GAO, yes, sir.

Mr. FAZIO. I thought you might mention them.

Mr. CANNON. And we have our own internal Inspector General staff that is very active in looking over my shoulder.

Mr. MYERS. Who asked GAO to do it? Did you request them to come in?

Mr. CANNON. They come in every three years as part of a routine audit.

BOUND CONGRESSIONAL RECORD

Mr. FAZIO. You are asking $2.1 million for the bound copy for 1986. We cut that item out last year to help us make the overall freeze target. Have we saved any money by postponing it one year?

Mr. CANNON. No, sir. We have not saved any money by postponing it. We are still going to need the $2.1 million for the 1986 Bound Record.

Mr. FAZIO. Is there no way to make any reduction in the overall cost.

Mr. CANNON. No, sir, not until the pages are reduced.

Mr. FAZIO. Members of the House gave that up several years ago.

What are the estimated consequences if we eliminate the entire program?

Mr. CANNON. No House Members receive it anymore, as you mentioned. On the Senate side there are 76 copies going to Senators, the Vice President, the Secretary and Sergeant At Arms of the Senate, several committees, the Parliamentarian, and the Senate libraries.

On the House side there are very few copies distributed. The Republican Policy Committee gets a copy as does the Legislative Counsel. The House Library gets five copies while the Official Reporter of Debates gets one copy and the Parliamentarian gets three copies. The Superintendent of the Periodical Gallery gets one copy, the Congressional Digest Office gets one copy of the Digest only, and the press gallery gets one copy of the Index only. There is very limited use on the House side.

Mr. FAZIO. What if we made microfiche copies? They are mostly journals of record. I question whether anybody is doing anything except filling up shelves with them.

Mr. CANNON. We are going to be furnishing microfiche of the Daily Record and that could possibly become an archival copy.

Mr. FAZIO. We need archival copies. I am not against that. We have an anachronistic situation here. Most of the Senators you mention don't even know they have it.

Mr. CANNON. They have to request it in writing.

Mr. FAZIO. The staff does that, I am sure.

I have several questions to be answered for the record concerning Congressional Printing and binding and the Congressional Record Program.

[The questions and responses follow:]

Question. The request for Congressional Printing and Binding is $71.5 million, which is about $5 million above the 1986 sequestered level. You are expecting several volume decreases—in the Record Program, document envelopes, Business and Committee Calendars, Committee prints and reports and other documents. Is this due to your expectation of a shorter session or just the normal start up pattern of a new Congress?

Response. These projected volume decreases are based on our analysis of historical trends and are reflective of a first session of Congress. We have also considered congressional efforts to reduce printing volume in developing these estimates.

Question. We see some of your rates going up in 1987—the daily record from $103 to $107 per page; miscellaneous printing form $55 to $58 per 1,000. Why isn't the automation program bringing these rates down? Is the cause higher labor rates or some other factor of production? Amplify for record.

Response. While we project rate increases in some categories, we project rate decreases in an equal number of categories, including committee reports, and prints, and documents. We have not factored in projected labor wage increases. Our rates include direct labor and materials as well as other indirect costs.

Question. Which Bound Record did you most recently release?

Response. The most recently released Bound Record was Volume 6 of the 1982 edition.

Question. If we found the resources, when could you expect the 1986, Record to be distributed?

Response. It could be distributed before the end of 1987.

Question. With all our automation, this lag time is an anachronism. What can you do to get the process into a more timely mode?

Response. I have reviewed the entire situation and have commenced a variety of actions to correct the situation. An area at the rear of Building 3, 7th floor has been renovated and is dedicated primarily to processing the Bound Record. This unit will give first priority to working the current year's Record on a daily basis. Sufficient personnel will be assigned to this unit to allow the editions for previous years that are still in production (1982, 1983 and 1984) to be accomplished along with the current year. Under this approach, the annual edition could be delivered before the end of the following calendar year. The backlog of prior years will be completed by the end of 1986 or early 1987. I intend to involve all three shifts of the Production Department in the Bound Record operation, on a regular basis, in order to meet this goal.

Question. For the record, give us a list of who receives the Bound Record, and your estimate of the consequences of eliminating it.

Response. Many current recipients of this publication would be dissatisfied if it were terminated. The table below indicates the current distribution.

Distribution of Bound Congressional Record (97th Congress, 2d Session)

Recipient:	*Actual No. of copies*
Copies paid for by Congressional Printing and Binding Appropriation:	
Senate:	
Senators, Vice President, Secretary and Sergeant at Arms	76
Joint Committee on Printing	25
Senate Library	3
Various Senate Officials	7
House:	
Publications Distribution Service, for Joint Committee on Printing	50
House Library	5
Various House Officials	7
Subtotal	173
Copies paid for by Printing and Binding Appropriation:	
Independent Agencies	46
Governors	36
Library of Congress	25
Libraries, U.S. Courts	19
Newspaper Correspondents	14
Departments	13
Supreme Court Library	4
Subtotal	157
Copies paid for by others:	
Depository Libraries	625
Sales	175
Departments	24
Subtotal	824
Total	1,154
Microfiche for Depository Libraries and International Exchange (not included above)	862

Question. How many Records are being printed each day? What is the distribution? How are they financed? Please update the distribution, cost, and revenue data on this program on pages 388-389 of last year's hearings.

Response.

Comparison of Authorized to Actual Distribution and Payment of the Daily Congressional Record

[As of September 30, 1985]

Recipient and number authorized: [1]	*Actual No. of copies*
Copies paid for by Congressional Printing and Binding Appropriation:	
House Members, 3 each (1,320)	897
Senate Members, 3 each (300)	209

Congressional committees, JCP requisition and bylaw	3,490
Subtotal	4,596
Copies paid for by Printing and Binding Appropriation:	
House constituents, 34 per Member (14,960)	9,296
Senate constituents, 50 per Member (5,000)	3,654
Ex-Members of Congress, 1 each	190
Correspondents, 1 each	213
Government Printing Office, 75	50
Independent Agencies, 2 each	55
Government Agencies, various	405
Judges, 1 each	39
Subtotal	13,902
Copies paid for by departments:	
Depository Libraries, as required (1,389)	1,208
Government Agencies, by requisition	2,971
Superintendent of Documents, by requisition	3,545
Subtotal	7,724
Total	26,222

[1] Unless otherwise stated, number authorized is governed by 44 U.S.C. 906, as amended.

SCHEDULE OF ESTIMATED CONGRESSIONAL RECORD PROGRAM COSTS

[Dollars in thousands]

	Fiscal year—				
	1983	1984	1985	1986	1987
Appropriations	$17,727	$18,575	$16,086	$18,905	$18,638
Sales revenue	815	800	788	794	809
Total Congressional Record costs	18,542	19,375	16,874	19,699	19,447

SCHEDULE OF ESTIMATED CONGRESSIONAL RECORD FUNDING

[In thousands of dollars]

Source of funds	Fiscal year—									
	1983		1984		1985		1986		1987	
	Daily copies	Amount of funds	Daily copies	Amount of funds	Daily copies	Amount of funds	Daily copies	Amount of funds	Daily copies	Amount of funds
CP&B	5,500	$6,000	5,600	$6,300	5,300	$5,600	4,600	$6,300	4,600	$6,200
P&B	14,900	11,572	14,000	12,100	14,000	10,328	13,900	12,427	13,900	12,260
Sales program	3,840	815	3,424	800	3,417	788	3,400	794	3,420	809

Note.—The funds for printing, binding, and distribution cost are not included for Depository or International Exchange copies.

OFFICE OF THE SUPERINTENDENT OF DOCUMENTS

Mr. **Fazio**. We can move on to the Superintendent of Documents.

You are asking $27,835,000 for 1987. There is a large price level increase in the depository library program of $1,027,000 in increased printing charges. Could somebody explain that for us?

Mr. **Fossedal**. This increase is attributable to depository printing and binding with several other small offsetting decreases.

The Superintendent of Documents is anticipating an increase into the Depository Library Program from executive agencies as they comply with OMB Circular Number A-130 as was previously mentioned.

I can read the applicable paragraph if you are interested or provide it to you for the record.

In that paragraph it says, "In addition, agencies must establish procedures to insure compliance with 44 U.S.C. 1902 which requires that government publications defined in 44 U.S.C. 1901 and repeated in Section 6-K of the circular, be made available to the Federal depository libraries through the Government Printing Office."

"The depository libraries provide a kind of information safety net to the public an existing institutional mechanism that guarantees a minimum level of availability of government information to all members of the public. Providing publications to the depository library program complies with the law and costs executive agencies virtually nothing."

What this means is that, in the past, many publications printed by executive agancies did not find their way into the depository program as required by law.

In this circular OMB is tightening the requirements for executive agencies to comply with the law. This is one of the reasons we anticipate an increased number of documents coming into the program. It will probably mean an increase in spending.

In addition, we have estimated inflation of 7.5 percent in printing costs and even if we move into increased microfiche to help hold costs down, we think the anticipated volume and inflation will offset the savings.

MICROFICHE FOR DEPOSITORY LIBRARIES

Mr. **Fazio**. You anticipated my question. Will you cut the cost of the Depository Library Program by further increased use of microfiche.

Mr. **Kennickell**. Sir, we are doing about half right now in microfiche. Our appropriation request reflected substantially continuing the same primary paper service to the depository library program.

If we were to dramatically increase the amount of microfiche to the depository libraries, we could save $3 million, at least.

Mr. **Fazio**. Does that create problems for the depositories?

Mr. **Kennickell**. First thing it does is, as far as the problem goes, it will just require someone, instead of picking up a paper copy just to pull the fiche and use a reader.

Mr. **Fazio**. Is this standard equipment in all libraries? I worry that we might burden some libraries.

Mr. **Kennickell**. I think all major libraries have fiche readers. I have never been in one that didn't.

Mr. **Fazio**. The question is whether they have an adequate number; maybe I am being overly cautious.

Mr. **Kennickell**. We are making the information available, which is the critical point. It is not unavailable any more. It is just available now, and if you want it you just have to use another device to search and look for it, but it saves $3 million.

The Superintendent of documents may want to comment. Do you see any additional burden?

Mr. **Fossedal.** There is a basic decision that would have to be made, because as you increase the amount of fiche to save money you also impact on certain constituents and certain consumers out there who don't particularly want microfiche.

I have been around librarians for five years, now, and I think it would be fair to say that not all librarians love microfiche.

So, if the critical thing is to save money and still follow our statutory charge, yes, we can save the money. However, there will be certain constituencies out there that will not be entirely happy.

Mr. **Fazio.** Next year I would appreciate hearing from you regarding the accommodations you can make.

Maybe certain kinds of materials are affected less than others. I realize the liason you have with libraries puts you in a position to evaluate direction and progress. I like the idea of cost cutting, but one of our major responsibilities is to serve these institutions. I suppose it is an area for dialogue and communication with the librarians of these depositories.

Mrs. Boggs?

Mrs. **Boggs.** Postage would be cut significantly, wouldn't it?

Mr. **Kennickell.** Yes, ma'am.

Mrs. **Boggs.** The depository libraries, though, are service-oriented institutions, or else they wouldn't be our depositories.

What will the cost be to them to upgrade their microfiche capabilities?

Mr. **Kennickell.** Ma'am, that goes back to, do libraries have microfiche readers. Microfiche and ultrafiche are fairly common in libraries now, and people that—

Mrs. **Boggs.** Do they have sufficient readers to accommodate the demand?

Mr. **Kennickell.** I couldn't answer that. I don't know how heavily used the depository libraries are. While we have people that survey them, we don't have people that survey them for things like that. But in the normal course of events I feel there are a number of microfiche readers available.

Mr. **Fossedal.** The cost estimate on a microfiche reader is $250.

MICROFICHE EQUIPMENT COSTS

Mr. **Fazio.** It has come down, hasn't it?

Mr. **Fossedal.** Yes sir. I think even a reader-printer can be purchased for $2,400. You have many types of libraries. Some libraries are going to have a substantial number of microfiche readers and some aren't.

Mr. **Fazio.** It would be a burden for some and not even a second thought for others.

Mr. **Kennickell.** Libraries I have been in that have microfiche readers with printers, you have to put a quarter in to get a copy out, just like a paid copier.

You can search what you want free, but if you want a copy, you put a quarter in. They recover some expense there. It is not like we are asking them to buy a special piece of equipment to accommodate this particular thing.

DEPOSITORY LIBRARY COUNCIL

Mr. **Fazio**. Tell me about the Depository Libraries.

Mr. **Fossedal**. Mr. Chairman, you made an excellent point about the dialogue. We have a Depository Library Council conference in St. Louis starting next Tuesday, and in the cover letter I recently sent to Council members containing responses to their recommendations I asked them to address this very issue. In the event we have to increase the distribution of microfiche, I asked the Council to rank categories of publications in order of their suitability to conversion to microfiche because there will not be agreement among those in the library community as to which are the most important things.

Mr. **Fazio**. Is that a good cross section of the depositories? Does it include the large and the small; the rural, the urban, and the suburban?

Mr. **Fossedal**. Historically, the Council has been representative of the broad spectrum of libraries, though there has been some underrepresentation among college libraries and public libraries. But yes, there is a cross section.

Mr. **Fazio**. Everyone's point of view will be represented by the Council.

Mr. **Fossedal**. Yes, sir. Then we have all the associations such as the American Library Association the Special Library Association, and the American Association of Law Libraries. They will make their views known to us.

Mr. **Fazio**. How many Depository Libraries are there?

Mr. **Fossedal**. Thirteen hundred ninety-one.

Mr. **Fazio**. Has there been an increase in recent years?

Mr. **Fossedal**. We had 1,390 last year, and so far this year we have added one.

I think we are estimating we will go up a few more this year.

Mr. **Cannon**. One thousand four hundred and five in fiscal year 1986.

Mr. **Fazio**. What does it cost per unit?

Mr. **Fossedal**. About $10,000 to add a library.

Mr. **Fazio**. I have some questions relating to the Office of Superintendent to be submitted for the record.

[The questions and responses follow:]

SUPERINTENDENT OF DOCUMENTS

Question. You are requesting $27,835,000 for 1987 for Salaries and Expenses Appropriation of the Office of Superintendent of Documents. Last year, we appropriated $22,981,000 and allowed a $3 million transfer from the Revolving Fund. The increase in the program, therefore, is $1,854,000 (over 7%). How many positions does this request include? Explain the reduction of 7 employees in the reimbursable program.

Response. This request for 1987 includes 259 full-time equivalent positions; however, the cost for 81 of these positions will be offset by reimbursements from various agencies. In FY 1987, we are proposing that funding for the International Exchange Program be transferred from the publishing agencies to the Salaries and Expenses Appropriation. Consequently, the cost of the 7 positions charged to the International Exchange Program would no longer be reimbursed.

Question. Provide a tabulation of the distribution in the Depository Library Program, and indicate how much is microfiche and how much is hard copy. Provide 1985 actual and the 1986 and 1987 estimates.

Response. The distribution of publications to depository libraries follows (000's):

	Fiscal year—		
	1985 actual	1986 estimate	1987 estimate
Microfiche	[1] 23,489	17,238	17,286
Hard copy	12,622	13,362	13,403
Total	36,111	30,600	30,689

[1] Includes a retrospective distribution of Department of Energy microfiche publications.

Question. You are requesting $700,000 for the International Exchange Program. Please provide a side by side comparison of costs and volume for the International Exchange program for FY 1986 and FY 1987.

Response. The International Exchange Program information follows:

	Fiscal year—	
	1986 estimate	1987 estimate
Copies distributed	875,000	875,000
Cost	$666,000	$700,000

LAND ACQUISITION

Mr. FAZIO. I would like to ask some questions about the Revolving Fund. You are requesting language to develop plans for a multipurpose facility. What do you have in mind and which locations are being discussed.

Mr. KENNICKELL. Sir, there is a piece of land for which we have entered into agreement with RLA, Redevelopment Land Agency of the District of Columbia.

A piece of property was available just south of GPO. Part of the conditions of purchase on it is that they asked us if we would request approval for the use of the Revolving Fund to design the facility that we some day would anticipate putting on that piece of land.

That is what we are doing right now. We are fulfilling the obligations of the sales agreement by requesting it.

I don't have any immediate need for a building right there at this moment, but I am requesting it. At some point there will be a need. Some future Public Printer may come before this committee and give a very persuasive argument as to how to get out of the $2.5 million worth of lease space we have in the Washington area and consolidate that and save quite a bit of money.

Mr. FAZIO. I had some conversations with Joe Jenifer about the land in the area and your future plans. You think that this consolidation is a great idea, but you don't see it in your time as Public Printer?

Mr. KENNICKELL. Sir, the only way that I would be able to realize a consolidation would be to stay two terms. It is a long-term project. What I am trying to do is to be prudent now and build some options in for future Legislative Branch Appropriations Subcommittees and future Public Printers so that they would have an opportunity to make a decision.

You might be interested to know, we are sitting in a very hot real estate area. The property which we have entered into a sales agreement to purchase will be infinitely more valuable, quite frankly, the day after we buy it.

Mr. FAZIO. I don't know about the real estate market but I am encouraged there are people looking at that area to develop commercial activities.

It really is an area that might succeed. Private capital may or may not show up. There are speculators at the Union Station, the Post Office, and as Joe knows, at least some think you are next in line.

What is your opinion on that?

Mr. KENNICKELL. Well, I believe there has been dialogue about the air rights to what we know as Building Four, which is across the street from GPO.

Quite frankly, that is a very substantial building, and it could stand another floor if someone ever wanted to add one on it. But I think that some accommodation could be made if someone wanted to purchase air rights.

Mr. FAZIO. Do you think the government should retain the fee title to it? You want to keep that property?

Mr. KENNICKELL. Sir, I cannot see a circumstance, given the fact the GPO is on North Capital and H, that we would ever be able to give up that piece of property.

That is absolutely essential to the operation of GPO. It is a main staging area for our paper. I just can't go any further on that.

Mr. FAZIO. Several years ago GPO developed plans for a new facility. What is the status of those plans? Do they attempt to fulfill this required purchase agreement?

Mr. KENNICKELL. To get a new GPO, I would have to, with a straight face, ask you for probably a $400 million appropriation.

I don't believe I could do that.

Mr. FAZIO. Can't do that out of printing and binding, can you?

Mr. KENNICKELL. My Revolving Fund wouldn't even accommodate that.

GPO is an interesting place, because it is your basic 19th century manufacturing facility that was current once, became almost obsolete, and now, we are becoming current again.

It is not perfect, but then again, I have never seen a printer that liked his layout. Every Public Printer would like to go out with 50 acres of land, drive a stake in the land, say, my office is there and the building will look like this, but it is not necessary.

What I see is that we are rapidly becoming an office building. People think we have 5,000 printers in GPO. Not so. I have 2,100 people that print out of the whole group. Two thousand one hundred printers out of 5,402 employees.

So, things have changed, and we have taken the building and have converted it from manufacturing space into office space. That is an expensive process, but most of what is done is done with internally generated funding and staff.

I have never asked for funds to build offices but you know Congress may one day look at GPO and say, we need another office building.

With GPO sitting there in the proximity and with some land around it, who knows? Maybe with a multipurpose building behind it, Congress might look at it and make their own assessment that it is more valuable to Congress as an office building, and since GPO's operations would have probably changed by then, and you could move it with much less cost to some facility within the District.

I would hope we would retain a location within the District, because we are a key manufacturing, very stabilizing factor in the District of Columbia.

That is how I feel.

WORLDWIDE PUBLIC PRINTERS CONFERENCE

Mr. **Fazio**. You are asking for authorization for a worldwide public printers conference. Would you give us a little more background on that?

Mr. **Jenifer**. This goes back a few years. We had some involvement with some of our counterparts throughout the world, and we decided at that point that we were not communicating properly, and that there were a lot of things that were evolving technologically that weren't being exchanged among government printers.

This idea was conveyed to our current Public Printer, and he recognized that there was a definite need for the printers, for the government printers in particular, of the world, to communicate with one another.

I believe Ralph met a few of these people when he was in Europe this past year—and based on that, we decided that we should convene, and that, Washington, D.C. would be the most probable place.

We anticipate having this particular conference here at a minimum cost to the taxpayer. We cannot say it will be absolutely cost free, but I think we would be open to any recommendations as far as a basic amount that we should be allowed to utilize for something like this.

Mr. **Fazio**. Can this be funded through the Revolving Fund?

Mr. **Kennickell**. Yes, sir. We wouldn't request any particular appropriation on that. As a target amount, we are thinking that we could accommodate our end of it for no more than $25,000.

As we learn more about what the other government printers are doing, the better off we will be and some benefits will accrue to us. We expect certain types of white papers and so forth to be presented to the conference.

Mr. **Fazio**. It is a one-time event, as you see it? It is not anything that will happen on a regular basis.

Mr. **Kennickell**. One time, sir.

Mr. **Fazio**. Who would be likely to come to such an event?

Mr. **Jenifer**. We primarily would be having someone from Her Majesty's Stationery Office, the various printers from Australia, and the public printer, of Canada and the various provinces that they have there.

We have also heard from France; from Germany; Italy; Saudi Arabia; as well as from a series of developing countries; Sierra Leone; Ghana; and Malawi.

We could go on and on. There have been approximately 50 countries that we have been in contact with.

Mr. **Fazio**. What have we to learn and what have they to learn?

Mr. **Jenifer**. Let's just talk about the area of photocomposition. We have been able to exchange ideas, primarily with some of our

Australian counterparts, about methods that we are utilizing for increasing productivity.

We have talked to Her Majesty's Stationery Office. We have seen the library warehousing techniques that they are using and their distribution system. We have adopted some of their ideas, and, in turn, they have seen some of our facilities and adopted ideas of ours.

Mr. FAZIO. We will insert questions in the record and will adjourn shortly.

[The questions and responses follow:]

CONSOLIDATED BUDGET SCHEDULE

Question. We appreciate the new schedules you have provided this year. They are very helpful. We would appreciate having one more schedule A—one that consolidates *all* GPO operations and staff levels.

Response. The Government Printing Office Revolving Fund is reimbursed by payments from agencies, the Congressional Printing and Binding (CP&B), Printing and Binding (P&B) and Salaries and Expenses (S&E) appropriation, and receipts from the Sales of Publications. Whereas the CP&B, P&B, and S&E accounts are appropriated annually on the basis of new obligational authority, reimbursements to the Revolving Fund are made on the basis of expenditures.

Schedule A

CONSOLIDATED GOVERNMENT PRINTING OFFICE OPERATIONS - TOTAL EXPENSES BY OBJECT CLASS

(Dollar amount in thousands)

CATEGORIES	Fiscal year 1985 actual		Fiscal year 1986 estimate		Fiscal year 1987 estimate		Net change 1986/87	
	Staff	Dollars	Staff	Dollars	Staff	Dollars	Staff	Dollars
1. Program								
Printing and binding operations	4,467	797,363	4,423	937,225	4,368	1,009,403	(55)	72,178
Sales of publications operations	664	54,923	660	56,852	660	60,572		3,720
Salaries and expense programs	254	28,899	259	31,441	259	32,178		737
Eliminations		(32,712)		(33,733)		(37,814)		(4,081)
Total expenses by program	5,385	848,473	5,342	991,785	5,287	1,064,339	(55)	72,554
2. Breakdown by object class:								
11. Personnel compensation	5,385	167,135	5,342	162,328	5,287	162,761	(55)	433
12. Personnel benefits		23,305		22,474		22,534		60
21. Travel		483		884		825		(59)
22. Transportation of things		2,122		3,294		3,469		175
23. Rent, communications, and utilities		28,597		27,909		27,692		(217)
24. Printing and reproduction		562,617		693,749		759,732		65,983
25. Other services		3,890		18,370		21,659		3,289
26. Supplies and materials		54,559		56,521		58,870		2,349
31. Depreciation		5,765		6,253		6,794		541
42. Insurance claims and indemnities				3		3		
Total expenses by object class	5,385	848,473	5,342	991,785	5,287	1,064,339	(55)	72,554

EMPLOYEE CEILING

Question. Mr. Kennickell, last year Congress imposed an employee ceiling on the GPO of 5,480. What effect, if any, has this ceiling had on the internal operations of GPO and what future effect do you anticipate?

Response. Mr. Chairman, I look back ten years and notice that the employment of GPO has dropped from 8,500 to the present population of 5,401. This has been accomplished through natural attrition and with no ceiling. This is a fact. It is something of which we can all be proud. Also, I believe it is unique in the Federal Government. Therefore, I look at the ceiling of 5,480 and question what was the real intent. The short term effect has been negligible; the long term effect will be adverse. The primary problem is that the ceiling language treats all GPO employees as equal, for accounting purposes, and does not consider the availability of the employee during the work year. This uncharacteristically rigid language, makes this agency count part-time temporary employees as if they were full-time permanent personnel charged to the ceiling. In short, I cannot overcome peak demands with less expensive part-time temporary help, I must use expensive overtime. So I wonder, what the Committee was thinking. I suspect, there is a body of thought, that believes the only way to control GPO is by imposing a ceiling, and that will somehow resolve other matters.

I propose that the Congress, if it desires a FY 1987 ceiling, limit the employee level that is presently configured under the Operations Division. By controlling this level, the Congress will control the employment level of the craft production and support employees that produce Congressional printing. I further propose, use of the standard full-time equivalent (FTE) measure to get an accurate assessment from which it may draw certain conclusions regarding GPO efficiency and automation.

I beseech you to remove the present 5,480 employee ceiling. However, if you deem a ceiling to be necessary, I recommend that it be replaced with an FTE ceiling. I would suggest the following language change: "The revolving fund may not be available for the employment of more than 2,600 full-time equivalent workyears, in the Operations Division."

GPO STATUTES

Question. I understand that GPO is conducting a reveiw of certain statutes related to your operations. Has the review been completed?

Response. GPO has reviewed the existing statutes under which we operate. In conjunction with the staff of the JCP, we are developing alternatives, modifications, or some deletions to these. In the near future we will be submitting for your consideration any of them related to this committee.

MOTOR VEHICLE LEASING

Mr. FAZIO. Last year we gave authorization to discontinue the ownership of your motor vehicle fleet in favor of leasing. What is the status of that program, and how do you see it in terms of potential benefits to the government, if any?

Mr. KENNICKELL. We requested concurrence from the Joint Committee on Printing to enter into a leasing agreement with the GSA for all of our vehicles.

A final determination on that proposal is being considered by the JCP. It appears as though based on the GPO analysis, savings over four or five years would represent a little better than $100,000 per year.

It would not cause anyone to lose their job. It would give us a new fleet. It would get us out of the trucking and garage business and free up some space for, quite frankly, a day care facility.

I was going to use the garage for a day care facility. But those are things that are being looked at.

The final verdict isn't in yet.

DAY CARE CENTER

Mr. FAZIO. Do you have a strong support group for day care in the GPO?

Mr. KENNICKELL. Yes, sir, I do. It is truly needed. We have many working mothers and working fathers that have this responsibility—I believe that the Congress has had a very positive experience along these lines, and I would like to emulate to some degree what you all have done up here and draw off your success.

Mr. FAZIO. You get nothing but support from me and many others, as well, in that regard.

Mr. KENNICKELL. Thank you, sir.

ELIMINATION OF PROOFREADING TEAMS

Mr. FAZIO. I have some questions about proofreading. As I understand, GPO plans to eliminate the two-member teams of proofreaders who read and correct the proofs before they come back to Congressional committees or other users.

You are planning on using only one person, and they are going to read from manuscript, compare the proof copies, and correct the proofs.

There is some concern about whether this is adequate quality control. I would like to hear from you. Do you think it is cost effective?

There are some who anticipate that we may have to have a lot of proofreading done by the customers, and of course, that may not accrue to your cost, but it may accrue to somebody elsewhere.

It may be counterproductive if quality or timeliness are not maintained. If that deteriorates, of course, the effort will be counterproductive. You may have some experience from the private sector to relate, but as I understand it, we often see the combination of journeymen and junior or apprentice proofreaders in the private sector.

I want you to take a few minutes to explain your views on this issue and how you might justify this new proofreading approach.

Mr. KENNICKELL. Sir, I would like to cite the change in the dual proofreading to the single reading as an example of cooperation between organized labor and management in GPO.

The dual proofreading was done as far back as anyone's memory can go, possibly for a hundred years, I don't know.

A union that represents these people for over a hundred years——

Mr. FAZIO. I thought you were going back to Gutenberg for a minute there.

Mr. KENNICKELL. Gutenberg was thrown out by his employees.

I have an aging work force in my proofreading area. These are people that have primarily been retrained from the old hot metal crafts that GPO has been getting out of now for 20 years, and we are now out of it, by the way.

Faced with a situation with dual reading and the fact that I am going to have a number of people who are going to be leaving, my alternative is to try and figure out a way to accomplish the same amount of proofreading that is necessary for our customers, including, of course, Congress, and do it at a less expensive rate.

We have been doing single reading for the last three weeks, and the experience to date is that we are producing 30 percent more pages being read, and our error rate has dropped.

Now, I don't want to get into the finer points of that, but what is happening is that it is working.

EMPHASIS ON PRODUCTIVITY AND ACCURACY

Mr. FAZIO. Is it working in terms of deteriorating standards, or don't you see that?

Mr. KENNICKELL. We are getting 30-percent more productivity, as we meaure.

Mr. FAZIO. I can understand that productivity is greater in terms of turning out more work.

Mr. KENNICKELL. People are now much more accountable than when you had them together. There was a lack of certain accountability, but they are much more measurable right now and they like it.

They are more satisfied reading by themselves, and the entire private sector does this. I have never seen or heard of dual reading until I came here.

Now, some things get read more than once, certain critical documentations that we are working on, but we have a 30-percent increase in productivity in the last three weeks, and our error rate, the errors that we are finding when we recheck is dropping dramatically.

I think for the short term, right now, I am holding my breath a little bit, but I am on the record now. I am excited, and I am very proud of them for doing it.

Mr. FAZIO. I am not familiar with this. I rarely would be in a position to see what comes over. Occasionally, I do see a hearing transcript, but I am told that there has been a decline in the quality of the work. That places a greater burden on us to perform the proofreading work before we send it back to GPO.

Now, that is anecdotal. You have made some assertions, and I have no reason to dispute them. You have stated that you are getting higher productivity and more accuracy, but we are interested in seeing some test results. We need to try to see if you can bring productivity and accuracy together somehow.

I am reflecting on views that I gather from staff members. This concern has not come to me from the unions or any of the worker groups.

Mr. KENNICKELL. I also hear the same comments, and I have looked at the operating system and the way that it got the way it is right now.

As we have retrained people and retrained them and retrained them to become something that they were not naturally inclined to do, proofreading in many ways is a knack.

Some people can just look at a page, and errors will pop out. And some people work like crazy and never finally get the knack of it.

We are working on some electronic systems which are not going to be nirvana, but we are going to start getting closer to perfection.

We now have a system called Spell Check. Joe, you want to talk about Spell Check and possibly the implications of DECTALK?

Mr. **Jenifer**. Basically, I would first like to say we are very confident that the elimination of the team readers will be a positive move. We don't anticipate any decline in quality.

We do believe that quality will actually improve utilizing this process. A few years ago, we conducted a survey and we found that the majority of the printing facilities were using single readers in lieu of teams.

I want to elaborate on a few other things which might worry some people when they hear we are changing our processes. The actual products that we are reading twice now will continue to be read twice.

That means we are still doing double readings on certain segments of the Federal Register and certain segments of the Congressional Record. We are reading the roll calls and the digests and certain items that we deem critical.

We will continue to read those twice. So, we don't anticipate, in any manner, a decline in the quality of our products. We will continue to monitor it, and I am sure you will ask about it next year at this time.

TECHNOLOGICAL ADVANCEMENTS

Mr. **Fazio**. That is likely.

Mr. **Jenifer**. You are going to write that down.

The Public Printer mentioned some things we were doing to improve our processes. He mentioned Spell Check. What that is, is a basic electronic means of reading words. In essence, when an operator finishes keying in a document, he would run it through an edit program.

If the word is not recognizable, it will be flagged as an error. Utilizing systems of this sort will assist the operators to improve the quality of their work, because once they run this edit check, they can correct their own errors at the terminal.

This is something that we are pretty proud of and we are anticipating its development. We have some R&D projects that are going on. One that the Public Printer referenced was DECTALK.

This is a voice recognition system that we are experimenting with to see if we can utilize it in our production environment. We feel confident about its success.

Our engineers feel pretty good about it. We want to know if we can use this tool to improve the quality of reader and operator. In essence, an operator could possibly sit at a terminal, hear a simulated voice reading what has been keyed and comparing this against the original manuscript copy make any necessary correction immediately.

Mr. **Fazio**. Are those things being performed in the private sector now, or are you on the cutting edge?

Mr. **Jenifer**. I don't know of any voice recognition processes being done in any commercial plant now.

Mr. **Fazio**. We have covered this topic, but we may have a few other questions for the record.

Mrs. Boggs.

FEMALE MANAGERS

Mrs. BOGGS. One thing I would like to ask, please, Mr. Chairman.

First, I would like to compliment you on your civic activities, and the amount of security that apparently you have been able to put into place for the facilities as well as for the personnel.

I know you are going to be celebrating your 125th anniversary March the fourth—next Tuesday. The end of your testimony says that, "The 125th anniversary of our founding, there will be much to celebrate: our traditional employee values, our sound business tradition, and our bright prospects for tomorrow."

I certainly agree that you have a great deal to celebrate. In your light of your prospects for tomorrow, could you please tell me what your plans are for involving women in positions of management responsibility?

Mr. JENIFER. Unfortunately, we don't have any of our senior women managers here this afternoon, but we do have a female Assistant Public Printer.

We have a female doctor who just joined us. We have a Director of Personnel, who is a female.

We have a special assistant to the Assistant Public Printer for Human Resources who is a supergrade and who is a female.

We have our Inspector General who is a female, and I think you may recognize her name. She is Joyce Blalock. She has received quite a bit of publicity for her work with the District government.

But we do have a growing corps of female senior managers in the Government Printing Office, and we are very proud of that.

I think we are improving dramatically along those lines.

Mrs. BOGGS. Aren't you glad I gave you a chance to brag? I do congratulate you.

Mr. FAZIO. Mrs. Boggs, I totally concur with your remarks.

It strikes me that Mr. Kennickel is not going to go the way of Gutenberg. It is doubtful he will be ousted by his printers.

He has increased employee morale and has professionalized the relationship between the Printer and GPO personnel.

Those in the Congress who have paid attention understand that.

We will insert some additional questions in the record concerning proofreading.

[The questions and responses follow:]

PROOFREADING

Question. GPO plans to eliminate the proofreading teams. Has a performance test been conducted? If so, supply the results for the record.

Response. Based on the results of our first month's experience, productivity has increased by approximately 53 percent. Keystrokes read under the former method averaged 5,618 per hour; under the new method we are averaging 8,639 keystrokes read per hour.

Question. If you really plan to pursue this as an experiment, why don't you try it on lower priority jobs for a while to establish a good pilot test?

Response. We never indicated that this was only an experiment. It has been fully implemented and is providing excellent results.

Question. Is it your practice to have two journeymen or an apprentice and a journeyman on a team?

Response. Under the team reading concept which we recently discontinued, each team was comprised of two journeymen.

CLOSING REMARKS

Mr. **Fazio**. Thank you all. We adjourn this hearing.

TUESDAY, MARCH 4, 1986.

CONGRESSIONAL BUDGET OFFICE

WITNESSES

RUDOLPH G. PENNER, DIRECTOR

EDWARD M. GRAMLICH, DEPUTY DIRECTOR

STANLEY L. GREIGG, DIRECTOR, OFFICE OF INTERGOVERNMENTAL RELATIONS

JAMES L. BLUM, ASSISTANT DIRECTOR, BUDGET ANALYSIS DIVISION

ROBERT D. HARRIS, DEPUTY ASSISTANT DIRECTOR, BUDGET ANALYSIS DIVISION

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ELIZABETH BERNING, PERSONNEL OFFICER

MARK G. DESAUTELS, ASSISTANT FOR INTERGOVERNMENTAL RELATIONS

Mr. **FAZIO**. We have the Congressional Budget Office today requesting $19,060,000 and 232 positions for fiscal year 1987, an increase of $2,900,000 or 17.9 percent and ten new positions over the 1986 sequestered level appropriation. This includes a $510,000, and eight position increase over the two positions included in the official budget request. We presume a budget amendment will be forthcoming.

We want to welcome Dr. Rudy Penner, who became Director of CBO in September of 1983 and Ed Gramlich, who became Deputy Director in December, 1985. That was a very momentous period for CBO. We would like to place Ed's biography in the record at this point.

[The biography follows:]

EDWARD M. GRAMLICH

Edward M. Gramlich became Deputy Director of the Congressional Budget Office in December of 1985. He was formerly Chairman of the Department of Economics and Director of the Institute of Public Policy Studies at the University of Michigan. Prior to his appointment at Michigan in 1976, he had been a Senior Fellow at the Brookings Institution, Director of the Policy Research Division at the Office of Economic Opportunity, and a staff economist at the Federal Reserve Board.

Dr. Gramlich was born in Rochester, New York in 1939. He received his BA from Williams College and his Ph.D. from Yale University. He has done extensive research on macroeconomics, public finance, income redistribution, tax policy, and fiscal federalism.

Mr. **FAZIO**. We would like you to introduce the staff that you brought along and proceed with a summary of your general statement. We will insert it in its entirety in the record.

Mr. **PENNER**. On my right is Polly Hodges, who keeps our numbers these days. You have introduced Ed Gramlich on the left. On the couch here, at my right, is Jim Blum, Bob Harris, Elizabeth Berning, Mark Desautels and Stanley Greigg.

CBO'S BUDGET REQUEST

Mr. **Fazio**. Proceed with your statement.

Mr. **Penner**. I am pleased to appear here this afternoon, Mr. Chairman. As you suggested, I will submit my formal statement for the record and summarize it fairly quickly.

The Congressional Budget Office is requesting a funding level of $19,060,000 which includes a request for ten additional positions. It is our first request for positions in four years, and while the specifics are outlined in my formal statement, we would assign the new slots to three of our divisions: Budget Analysis, Tax Analysis, and Fiscal Analysis. These past months have been extremely demanding ones at CBO. With the enactment of the Balanced Budget and Emergency Deficit Control Act of 1985, we have experienced first hand the increased workload. I am very proud of our staff and the manner in which they all committed themselves to meeting what was a very tight time-table and producing the reports, as stipulated in this new and far-reaching legislation.

With this legislation under challenge in the courts, I must underscore that the increased workload we are experiencing will not diminish regardless of the action the Supreme Court takes in ruling on the lower court decision. Even if the Supreme Court upholds the lower court decision, there is a provision in the law that would replace the role of the General Accounting Office with a Joint Committee of the Congress. CBO's role would remain just as it was in the last sequestration.

IMPACT OF THE BALANCED BUDGET ACT

The Balanced Budget Act will have a substantial impact this year on costs at CBO. You will recall that our fiscal year 1986 budget request was initially cut by 10 percent in an across-the-board action, leaving us below the 1985 level. Before final passage of the appropriation, an upward adjustment was made restoring $277,000.

Through sequestration, the new Balanced Budget Act caused a subsequent reduction in CBO resources of $726,000. In real terms, our fiscal year 1986 budget is almost 7 percent below that of 1984. This cut comes at a time when the additional computer time necessary to perform the analysis mandated by the act are significant. Printing costs related to the public sequestration report are also substantial.

There has been an enormous demand on the staff, which regularly worked overtime to complete the major report. Moreover, the new duties resulted in additional requests for testimony and briefings and added to the number of questions from Members of the Congress, agencies, and the general public. We are doing our very best to absorb these additional costs that result from our role in this legislation, but the impact is being felt keenly.

Although it is difficult to do precise cost accounting for such a complex task, I believe it fair to say that our workload has increased proportionately more than the requested increase in our budget. Briefly, those increases are comprised of $1,032,000 for personnel costs; $1,482,000 for ADP costs; $240,000 for systems data; and $146,000 for other administrative costs.

Mr. Chairman, as in the past, I think we have taken a conservative funding approach in our fiscal year 1986 budget request. At the same time, the new task we face is enormous. In order that CBO can continue to operate at the level of efficiency and professionalism that the Congress has come to expect, we are requesting an increase in resources. I would like to review some of the new services that are provided by CBO.

NEW CBO SERVICES

In 1985, as you so well know, budget issues dominated the legislative agenda of the Congress. As a result, the work of the CBO figured prominently in many Congressional deliberations. Nowhere were the efforts of CBO more evident than in the debate on the Balanced Budget Act. From the opening round of debate, CBO was called upon to provide detailed estimates of the bill's consequences. Conference sessions were often long and arduous, conducted under imposing deadlines. The CBO was routinely required to provide detailed calculations of complex proposals and alternatives in very short order.

This work came at the end of the fiscal year, when the agency's workload was already heavy and was under pressure to keep pace with the usual end-of-session flurry of Congressional activity.

First and foremost among the new task mandated of the CBO by the Balanced Budget Act is the sequestration report. This report is jointly prepared by CBO with OMB. As required by law, the joint report estimates the budget base levels, including the amounts by which the projected deficit exceeds the maximum deficit amount for the fiscal year. It also provides OMB and CBO economic assumptions, and calculates the amounts and percentages by which various budgetary resources must be sequestered in order to eliminate any deficit excess.

CBO analysts reviewed over 1,000 budget accounts and applied percentage cuts, and hundreds of them, to complete the required report. Personnel resources were strained by the task, and we anticipate the workload will be even more demanding in August, when last-minute Congressional action can dictate changes in the budget picture.

In addition to the sequestration report, the Director of CBO is given the responsibility for alerting the Congress to a recession or downturn in the economy that might warrant the suspension of the Balanced Budget Act's deficit target. In order to do this, CBO will have to monitor the economy constantly. Currently, forecasting is done semiannually, and constant monitoring will increase both our manpower and computer needs significantly in this area.

Finally, the Balanced Budget Act requires CBO to provide the Congress with a report on unauthorized appropriations and expiring legislation. For the most part, this is information that CBO has been collecting and providing on request to the House and Senate Budget Committees.

Now, however, CBO will have to file a report by January 10th, identify therein programs and activities that were funded, appropriations made for which authorizations have not been enacted, list the programs and activities in greater detail than is currently maintained, and after consulting with the appropriate committees, make its report to the Congress rather than just to the Budget Committees.

Let me stop at that point, Mr. Chairman, and answer your questions.

[The statement of Rudolph G. Penner follows:]

Statement of
Rudolph G. Penner
Director
Congressional Budget Office

before the

Subcommittee on Legislative
Committee on Appropriations
U.S. House of Representatives

Appropriation Request for Fiscal Year 1987

March 4, 1986

Mr. Chairman and Members of the Subcommittee, I am pleased to present the fiscal year 1987 budget request for the Congressional Budget Office (CBO). As you know, CBO is a nonpartisan analytic organization that furnishes the Congress with information and analyses on issues relating to the U.S. economy, the federal budget, and federal programs. The CBO does not make policy recommendations, but presents the Congress with options and the possible budgetary and economic consequences.

With the enactment of the Balanced Budget and Emergency Deficit Control Act of 1985, the Congressional Budget Office has been assigned added duties and responsibilities of such a nature as to have a significant impact on the workload of the agency. The fiscal year 1987 budget request we submit to you today reflects this impact and the need for additional resources.

BUDGET REQUEST

Mr. Chairman, our request for fiscal year 1987 is $19,060,000, which includes 10 new positions. This is the first request for new positions in four years. We have not requested positions in previous years unless new duties and responsibilities were assigned to us as a result of Congressional action. These 10 positions are earmarked for three of our divisions: Budget Analysis, Fiscal Analysis, and Tax Analysis. My detailed justification statement will deal with the nature of these positions and how we propose to spread them among the three divisions.

It is important to stress at the outset that CBO's increased workload, as a result of the Balanced Budget Act, will not be lightened whatever action the Supreme Court takes in ruling on the lower court's decision. Even if the Supreme Court upholds that decision, there is a mechanism in the law that would replace the role of the General Accounting Office with a joint committee of the Congress. CBO's role will remain as outlined in the legislation.

The Balanced Budget Act will have a substantial impact this year on costs at CBO. The additional computer time and computer printouts necessary to perform the analysis mandated by the act are significant. Printing costs related to the publication of the Sequestration Report also are substantial. And there has been an enormous strain on the staff, who regularly worked overtime to complete the report. Moreover, the new duties resulted in additional requests for testimony and briefings and added to the number of queries from Members of the Congress, agencies, and the general public.

Of course, we will do our best to absorb such costs, but these increases come at a time when our fiscal year 1986 appropriation was reduced substantially. In real terms, our fiscal year 1986 budget is almost 7 percent below that of 1984. The increase we request comprises the following items:

- $1,032,000 for personnel costs;
- $1,482,000 for increased costs related to our automated data processing, including new work and upgrading and maintaining the systems;
- $240,000 for systems data and model development; and
- $146,000 for other administrative costs.

Mr. Chairman, I reiterate that, as in the past, we have taken a most prudent funding approach in our fiscal year 1987 budget request. At the same time, the new tasks we face are enormous. In order that CBO continue to operate at the level of efficiency and professionalism the Congress has come to expect, we are calling for an increase in resources. Before going into detail about our request, I would like to review for the Committee the principal services that CBO provided to the Congress in the past fiscal year.

NEW CBO SERVICES TO THE CONGRESS

Once again in fiscal year 1985, budget issues dominated the legislative agenda of the Congress. As a result, the work of the CBO figured prominently in many Congressional deliberations. Nowhere were the efforts of the CBO more evident than during the debate of the Balanced Budget Act.

From the opening round of debate, CBO was called upon to provide detailed estimates of the bill's consequences. Conference sessions were often long and arduous, conducted under imposing deadlines. The CBO was routinely required to provide detailed calculations of complex proposals and alternatives in very short order. This work came at the end of the fiscal year when the agency's workload was already heavy and it was under pressure to keep pace with the usual end-of-session flurry of Congressional activity. CBO personnel regularly worked overtime to meet the needs of the Congress for budgetary information. I cite this to underscore how very proud I am of the staff and the results of the labors of so many.

First and foremost among the new tasks mandated of the CBO by the Balanced Budget Act is the Sequestration Report. This report is jointly prepared by the CBO with the Office of Management and Budget (OMB) of the Executive Branch. As required by law, the joint report:

- Estimates budget base levels, including the amount by which the projected deficit exceeds the maximum deficit amount for the fiscal year;
- Provides OMB and CBO economic assumptions, including the estimated rate of real economic growth; and

- o Calculates the amounts and percentages by which various budgetary resources must be sequestered in order to eliminate any deficit excess.

CBO analysts reviewed over one thousand budget accounts and applied percentage cuts in hundreds of them to complete the required report. Personnel resources were strained by the task and we anticipate the workload will be even more demanding in August when last-minute Congressional action could dictate changes in the budget picture.

In addition to the Sequestration Report, the Director of CBO is given the responsibility for alerting the Congress to a recession or downturn in the economy that might warrant the suspension of the Balanced Budget Act's deficit targets. In order to do this, the CBO will have to maintain constant readiness to provide up-to-date, near-term forecasts of the economy. This sort of forecasting is currently done semiannually, but the new legislation calls for a type of monitoring that will increase both our manpower and computer needs in the area.

Finally, the Balanced Budget Act requires CBO to provide the Congress with a report on unauthorized appropriations and expiring legislation. For the most part, this is information that CBO has been collecting and providing on request to the House and Senate Budget Committees. Now, however, CBO will have to file a report by January 15; identify therein programs and activities that were funded--appropriations made--for which authorizations have not been enacted; list the programs and activities in greater detail than is currently maintained; and, after consulting with the appropriate committees, make its report to the Congress rather than just the Budget Committees. I will provide the Committee with a copy of the report we submitted on January 15th.

CURRENT CBO SERVICES TO THE CONGRESS

The Congressional Budget Act of 1974, as amended, mandates that CBO prepare certain reports on a regular basis and other studies in response to Congressional requests. Specifically, CBO carries out the following tasks: maintains current tabulations of Congressional revenue and spending actions (scorekeeping); prepares five-year cost estimates for bills reported by authorizing committees; prepares outlay estimates for bills providing new budget authority; supplies tax expenditure and revenue information; annually reports projections of new budget authority, outlays, and revenues for the coming five fiscal years; estimates the cost to state and local governments of carrying out or complying with federal legislation; prepares periodic forecasts of economic trends and alternative fiscal policies; and analyzes issues that affect the federal budget.

Scorekeeping

CBO provides the Congress with up-to-date tabulations of Congressional actions on revenue and spending bills. These tabulations are used, particularly by the Budget and Appropriations Committees, to measure the status of Congressional budget actions relative to the targets or limits specified in the concurrent resolutions on the budget.

The bulk of CBO scorekeeping activities involves spending actions. The spending side of the federal budget is complex, consisting of more than 1,000 separate accounts. Furthermore, the Congress acts each year on a large number of individual legislative bills that affect spending, including 13 appropriation bills. CBO's scorekeeping system keeps track of Congressional action on all these bills from the time they are reported from committee to the time when they are enacted into law. As a result, the CBO scorekeeping data base for budget authority and outlays is very large, and keeping it current represents a major effort.

CBO scorekeeping estimates are derived from its analysis of the President's budget, baseline budget projections, and bill cost estimates, as well as from the economic assumptions used for the concurrent budget resolution. CBO reviews its scorekeeping estimates on a comprehensive basis at least twice a year to incorporate new information provided by the Office of Management and Budget (OMB) and other federal agencies, revised economic assumptions that may be adopted by the Budget Committees, and other relevant data. Any reestimates resulting from these reviews are considered by the staffs of the Budget and Appropriations Committees before they are adopted as official scorekeeping estimates.

Specially designed computer scorekeeping reports are provided weekly, and sometimes daily, to the Budget and Appropriations Committees. Frequent letters are also sent to the Chairmen of the two Budget Committees to advise them on current budgetary levels. Advisory letters also have been sent on request to the Chairman of the House Appropriations Committee on the budgetary impact of individual appropriation actions, such as a supplemental appropriation bill or a continuing resolution.

The CBO automated scorekeeping data base is used to provide special computer reports to the Appropriations Committees for use in preparing their March 15 reports and in dividing budget resolution allocations among subcommittees. In addition, the Budget Committees use the data base to formulate budget resolutions.

The CBO also prepares a weekly automated report on the legislative status of selected entitlement and other bills that would directly affect budgetary requirements. Similar reports provide information on the legislative status of bills affecting credit activities, bills providing required authorizations for requested appropriations, and proposed revisions of the Budget Act. Copies of these reports are provided to the staffs of the Appropriations and Budget Committees of both Houses. These automated reports originate from a request by the House Appropriations Committee.

In addition, CBO has developed a scorekeeping capability for tracking Congressional action on the federal credit budget. This separate, automated data system is used primarily by the two Budget Committees.

Baseline Budget Projections

Each year CBO prepares a new set of baseline budget projections. Th projections take as their starting point the budgetary decisions made by the Congress through its most recently completed session and show what would happen to the budget if no new policy decisions were made during the next five fiscal years. These projections do not represent a forecast of future budgets, because the Congress undoubtedly will make numerous new policy decisions in response to changing national needs and economic circumstances. They do provide, however, a useful baseline or benchmark against which proposed changes in taxes or spending policies may be measured and assessed. A longer-term framework is helpful in making annual budget choices. Policy decisions sometimes have little impact on the budget in the short run, but significantly influence budget priorities over a period of several years. Because the annual budget resolutions now include a credit budget component, the Budget Committees have asked CBO to develop baseline budget projections for federal credit activities.

CBO's budget projections capability has enabled the Congress to move more and more in the direction of multiyear budgeting. For example, for several years both Budget Committees have used the CBO baseline budget projections as a starting point for formulating its recommendations for the first budget resolution. The CBO baseline spending projections are distributed to the Appropriations Committees and the authorizing committees of both Houses as background information for preparing their "views and estimates" reports to the Budget Committees, now required by February 25. The Budget Committees then use the CBO baseline projections in their budget resolution markup materials to assess how spending and revenues should be altered in the future to meet fiscal policy goals and national needs. Both Budget Committees include three-year targets in their recommended budget resolutions.

The CBO budget projections took on added importance in 1981 when they served as the baseline for computing the spending reductions to be achieved in the budget reconciliation process. They have served this purpose for every reconciliation bill since. Moreover, CBO has made similar use of baseline budget projections in its bill cost estimates for calculating the costs or savings that would result from legislative proposals to change existing law. This is particularly important for calculating the budgetary effects of changes in various entitlement programs.

The growing use of budget projections requires CBO to maintain a large multiyear data base on a year-round basis. CBO now provides both Budget Committees with numerous sets of five-year projections of revenues and spending throughout the year, usually in the form of computer tabulations. In addition, CBO publishes annually a five-year budget projections report, usually at the beginning of each session of the Congress.

Analysis of the President's Budget

The Congressional Budget Office carefully reviews the budget estimates that the Administration submits to the Congress. These reviews evaluate the Administration's budget estimates and, where necessary and appropriate, reestimate the Administration's budget estimates using different economic assumptions and CBO's estimating techniques and methods.

The economic assumptions used by the Budget Committees to formulate the annual budget resolutions usually are different from the assumptions the Administration uses in preparing the President's budget. A different set of economic assumptions may significantly alter the budgetary impact of the President's proposals. Both Budget Committees periodically ask CBO to reestimate the President's budget using different economic assumptions.

CBO has an independent capability for estimating the impact on budget outlays of various budget proposals. To keep these techniques and methods as accurate as possible, CBO staff carefully monitor both actual spending trends as reported monthly by the Treasury and various program data series that show trends in the use of federal benefits and services, the growth in beneficiary populations, and other factors affecting federal spending. The CBO uses these independent methods to reestimate the effect of the President's budgetary proposals. In recent years, these so-called "technical reestimates" have been significant.

In addition to reviewing carefully the Administration's budget estimates, each year CBO prepares an overview analysis of the President's budgetary proposals. Since 1984, this publication has been requested by the Senate Committee on Appropriations to assist Members and staff in preparing for overview hearings on the Administration's annual budget. The report discusses the economic outlook for the next several years and the possible economic impact of the President's proposals. It also presents CBO's preliminary reestimates of the budget impact of these proposals based on alternative economic assumptions and on CBO's estimating techniques and methods.

Bill Cost Estimates

The CBO prepares cost estimates for virtually every public bill reported by legislative committees in the House or Senate that would have a budget impact. CBO also prepares numerous cost estimates at committee request for use in earlier stages of the legislative process. CBO's bill cost estimates have become an integral part of the legislative process. Committees refer to them increasingly at every stage of bill drafting; indeed they are having an impact on the final outcome of legislation.

The number of such bill cost estimates prepared each year varies, depending on the amount of legislation being considered and reported by legislative committees. For 1985, the number of individual cost estimates was 601, as shown in Table 1.

TABLE 1. BILL COST ESTIMATES (FORMAL AND INFORMAL)

Year	1978	1979	1980	1981	1982	1983	1984	1985
Federal Estimates	995	830	861	553	747	676	687	601
State and Local Estimates	N/A	N/A	N/A	N/A	4	573	641	533

A large part of CBO's bill costing activity in 1985 was for the House and Senate Committees receiving reconciliation instructions in the budget resolution for fiscal 1986. When combined with corresponding work on reconciliation proposals in 1981-1984, these efforts are equivalent to several hundred bill cost estimates. Because CBO's bill-cost estimate tracking system has treated work on all the reconciliation proposals as if they were a few large bills, this workload is not reflected fully in the figures shown in Table 1 for 1981-1985.

In addition to cost estimates for bills reported by legislative committees, CBO also provides the Appropriations Committees with outlay estimates for all appropriation bills. These outlay estimates are prepared for each appropriation account and are transmitted to the staffs of the committees largely in the form of computer tabulations. For example, many reports display both budget authority and outlay data in the Comparative Statement of Budget Authority (CSBA) formats used by the Appropriations Committees.

State and Local Government Cost Estimates

The State and Local Government Cost Estimate Act (Public Law 97-108) enacted in late 1981 expanded CBO's bill costing responsibilities by requiring estimates of the cost that would be incurred by state and local governments in carrying out or complying with legislation that is reported in the House or the Senate.

CBO's policy is to review as many bills as possible to identify their potential impacts on state and local government costs. These cost estimates may be limited to bills that, in the judgment of CBO, are likely to result in an aggregate annual cost to state and local governments of at least $200 million or to have exceptional fiscal consequences for a geographic region or particular level of government. During 1985, CBO prepared state and local cost estimates for 533 bills. Of these bills, CBO estimated that 45 had some potential effect on the budgets of state or local governments and 488 had none.

Two examples of CBO analyses of state and local cost impacts are:

- Cost estimates for S. 1200, the Immigration Reform and Control Act of 1985, which would make some major revisions and reforms to the Immigration and Naturalization Act. CBO's analyses indicated that the provisions of the bill legalizing certain unauthorized aliens currently residing in the United States could have sizable effects on state and local government public assistance. Additional state and local public assistance expenditures were estimated at over $200 million per year after fiscal year 1992.
- Cost estimates of H.R. 1650, Safe Drinking Water Act Amendments of 1985. CBO estimated that the amendments would result in state capital expenditures of $2.5 billion to $3.5 billion (in 1985 dollars) and operating costs of $200 million to $300 million annually (in 1985 dollars). Most of these costs are associated with the filtration requirements in the bill and would begin several years after enactment of the bill.

Economic Forecasts

Each fiscal year, CBO provides the Congress with two economic forecast reports. They are issued to coincide with Congressional consideration of the concurrent resolutions on the budget.

CBO does not maintain its own macroeconomic model of the economy. Instead, we use the major commercially available econometric models (Data Resources, Inc., Wharton Associates, Townsend-Greenspan, and Ray Fair Economic Model). We also rely on the advice of a distinguished panel of advisers representing a wide spectrum of economic views. The panel is supplemented from time to time with guests possessing expertise in particular areas of interest. The panel meets twice a year in advance of the release of our forecasts. Appendix A to this statement lists the current members of the panel.

The reports issued in February and August of 1985 focused on recent economic developments, discussed fiscal and monetary policy, forecast short-term economic trends, and detailed the federal budget outlook under these economic assumptions. As has been previously mentioned, CBO will have to run continuously its models of the economy in the future as we monitor the economy on a frequent basis, thus conforming to the requirements of the Balanced Budget Act. With the growing internationalization of the U.S. economy, the task has become more complex, since it is even more important to monitor economic developments abroad as well as in the United States.

Tax Analysis

In 1985, Members of the Congress were provided with background analysis on important tax reform issues, such as the effects of major proposals on the oil and gas industries and the likely long-term revenue effects of the proposals. The CBO also supplied Members with many estimates of the effects of specific proposals on those taxpayers with incomes near or below the poverty level.

The CBO tracked the major tax revision proposals, by specific provision, regularly supplying committee staff with spread sheets comparing the major proposals in great detail. Throughout the process, CBO responded to a significant number of questions from Congressional staff on virtually every aspect of the tax reform legislation.

CBO also continued to provide to the Budget Committees a set of standardized tables showing considerable background detail on CBO's baseline revenues and estimates of recent tax legislation. The CBO received favorable comments about the usefulness of the tables from the Budget Committee staff members and will provide these tables each time CBO presents a new economic and budget baseline forecast.

CBO also provides several sets of five-year baseline revenue estimates based on alternative economic forecasts developed by the staffs of both Budget Committees. Most of these are done to aid the staffs in their preparation of the budget resolution.

Revenue scorekeeping reports, with bill-by-bill detail, are sent as needed to the staffs of the Ways and Means, Finance, and the Budget Committees. The reports provide five-year revenue effect estimates of each tax bill in the legislative process, and compare the cumulative revenue effects of enacted legislation with the targets set in the budget resolution. The revenue estimates shown in the reports are drawn from CBO cost estimate letters and are furnished to the tax-writing committees when each tax bill is reported. The Balanced Budget Act provides that these reports be made at least monthly, further increasing CBO's list of required services to the Congress.

In addition, CBO continued its close association with the Joint Committee on Taxation (JCT). The JCT remains responsible for providing the tax writing committees with revenue estimates of tax reform proposals. The CBO is responsible for providing budgetary revenue proposals, as well as revenue estimates in legislation other than tax proposals. The JCT bases its revenue estimates on CBO's economic assumptions as well.

The CBO staff also continued to provide estimates of the revenue effects of many alternative deficit reduction plans, a service that is becoming increasingly important to Members as they look for new ways to deal with the budget deficit.

The CBO has prepared and continues to maintain a detailed provision-by-provision comparison table of recent major reform proposals. The table includes current-law status by major provision, including the relevant section of the tax code, and the alternative treatment under all major recent proposals, including the House passed bill. CBO periodically supplies updates.

In addition, last year, CBO completed a major study looking at the history of the corporate income tax and possible alternatives and options for revision of the current system. As the Senate considers tax reform, we expect a particularly heavy volume of requests in the coming year.

Programmatic Analysis

The CBO's four analytic programmatic divisions--Human Resources, Natural Resources, National Security, and General Government--respond to requests from Congressional committees for analyses of issues and options that help the Congress anticipate the consequences of legislative proposals. Four types of products illustrate the range of efforts carried out by the program divisions:

- Formal and informal cost estimates and other budget analytic work directly analogous to, or in support of, the efforts of the Budget Analysis Division. Often this work involves developing simulation models to estimate the impacts of changes to technical parameters in legislation.
- Short-term policy analyses, often involving estimating the likely effects--other than costs--of proposed legislation. This covers a wide range of brief, but timely, informal statements that have proved most helpful to legislative committees.
- Short-term policy analyses, often involving estimating the likely effects--other than costs--of proposed legislation. This covers a wide range of brief, but timely, informal statements that have proved most helpful to legislative committees.
- Testimony at Congressional hearings, which often follows from other work we have done.
- Longer-term analyses of broad issue areas, considering a full range of policy options. These projects typically result in published papers.

The principal responsibility of these divisions is to assist the committees of the Congress in considering current legislative issues. Over the years, CBO has responded to requests for analyses of key program issues from almost every committee of both Houses of Congress.

In fiscal year 1985, CBO completed 37 such reports. The reports were for 10 Congressional committees--four of the House, five of the Senate, and one joint Congressional committee. Appendix B of this statement includes a complete list of CBO projects in fiscal year 1985. Part I of the list shows the projects in progress. Part II lists the studies completed in fiscal year 1985. This list gives the CBO division responsible for the report, its title, a summary of its content, the rquesting Congressional committee or statutory authority and, when applicable, its completion date. In addition, a list showing the distribution of reports by House and Senate committees in fiscal year 1985 is also provided.

The subject areas of these reports have typically reflected the major budgetary issues before the Congress and the nation. Our program divisions have helped focus debate by organizing and presenting policy goals that are often scattered among different budget functions and tax provisions into a single analysis. In this way, the Congress can see more clearly whether its policies are having the intended effect.

Some recent studies of this type are: *Research and Development Funding in the Proposed Fiscal Year 1985 Budget*; *The Budget of the Environmental Protection Agency: An Overview of Selected Programs for Fiscal Year 1985*; *Federal Support for U.S. Business*; *Federal*

Financial Support for High Technology Industries; and, *The Federal Budget for Public Works Infrastructure.*

In addition, this past spring, in conjunction with the Congressional Research Service, CBO completed a major study on poverty entitled *Reducing Poverty Among Children.* Our contribution included measuring poverty under alternative definitions and assessing more than 40 specific options for reducing the incidence of childhood poverty. Recently, this study proved most valuable to the Senate Children's Caucus where extensive hearings were conducted by Senators Dodd and Specter. Another report published this year, *Reducing Grades of the General Schedule Work Force*, provided an analysis of the effectiveness of federal job classification.

Much legislation with purposes not closely related to the federal budget nevertheless has important budgetary and economic consequences. Many committees have shown a strong interest in the analysis of the effects of such legislation, which often expands and complements information provided in a CBO cost estimate.

Recent published examples of such work by the CBO include: *Hazardous Waste Management: Recent Changes and Policy Alternatives*;

Promoting Employment and Maintaining Incomes with Unemployment Insurance; *Future Budgetary Requirements for the 600-Ship Navy*; *Tactical Combat Forces of the United States Air Force: Issues and Alternatives*; and, *Curtailing Indirect Federal Subsidies to the U.S. Postal Service.*

Finally, in terms of direct support of the budgetary process by these divisions, there are studies that address the budgetary implications of changes in program emphasis or direction. Committee interest in such analyses is prompted by budgetary constraints and the perception that existing programs are inefficient and have outlived their original intent.

Recent CBO studies along these lines include: *Federal Support for R&D and Innovation*; *Pricing Options for the Space Shuttle*; *An Analysis of Selected Deficit Reduction Options Affecting the Elderly and Disabled*; *Veterans Administration Health Care: Planning for Future Years*; *Modifying Military Retirement: Alternative Approaches*; and *Options for Change in Military Medical Care.*

Based on current committee requests, the CBO expects to complete at least the same number of reports in fiscal year 1986 as in fiscal year 1985.

We further assume that our level of activity in fiscal year 1987 will be similar to that in previous fiscal years.

Published reports are only the most obvious example of the analytic support provided to the Congress by these divisions. Regularly, short-term analysis in the form of unpublished papers, staff memoranda, and letters is provided to committee staffs. Because Congress has increasing need for updated and timely information in policy areas, CBO's programmatic divisions are doing more and more of the "quick turn-around" type of analysis.

In addition, CBO maintains a heavy agenda of testimony. We have testified on 32 separate occasions during the last fiscal year before a variety of Congressional committees. This testimony is often in connection with an ongoing or completed report, though we sometimes prepare new analyses for such appearances. Preparing testimony constitutes a significant portion of the workload of all of our divisions.

Finally, these divisions have developed a number of sophisticated analytic computer models of federal programs. The output from these models is provided to our Budget Analysis Division for use in their cost estimates, and our analysts frequently revise or improve existing BAD models. This expertise in the use of computers allows our programmatic analysis units to respond to requests that require sophisticated analytic treatment, such as simulating the effects of options on beneficiaries of federal programs. Similarly, these divisions have developed models, both for the Budget Committees and authorizing committees, that estimate the costs and revenues of specific programs. The models are used by the committees to respond to proposals made during the markup of legislation.

The requests and demands made of these units will not lessen under the Balanced Budget Act, but will increase. The Congress, in carrying out its policy objectives during these times of severe fiscal constraint, will be considering large numbers of new and innovative approaches to a myriad of programs. The CBO will be called on, and stands ready to assist, in the evaluation and analyses of all such proposals so that the Congress will be assured of having the best possible information on which to base its decisions. In addition, the Congress will continue to want and need to assess the programmatic and policy implications of the budget reductions. The CBO analytic programmatic divisions have the resources in place to make these important reassessments.

ORGANIZATION OF THE CBO

From time to time, questions arise about CBO's organizational structure, the functions of each unit, and the interrelationship among them. For management and administrative purposes, our staff is divided into seven divisions. While the main functions of each division are clearly defined, the work of each is highly dependent on that of the other, and I would like to take time today to share with you how this "crosswalk" works.

Three of our divisions--the Budget Analysis, Fiscal Analysis and Tax Analysis Divisions--support primarily the needs of the House and Senate Budget and Appropriations Committees for accessible, comprehensive and technical budget and economic information. The other four divisions--Natural Resources and Commerce, National Security, Human Resources and Community Development, and the General Government unit of the Office of Intergovernmental Relations--provide key support, often early in the legislative process, to the budget and authorizing committees in analyzing various programmatic and policy options and their associated costs. To perform these tasks, each unit must collaborate with the other.

For example, the economic assumptions developed by the Fiscal Analysis Division serve as the basis for our cost estimating, projections, and issue analysis. The budget numbers developed by Budget Analysis often depend on methodological studies done in the program divisions. Finally, all numbers developed in connection with analytic studies are reviewed by the cost analysts in the Budget Analysis Division. This crosswalk among our divisions is absolutely essential to our ability to provide accurate cost estimates and comprehensive analyses of alternative legislative strategies.

The interdependence of our organization is best exemplified by the report, *Reducing the Deficit: Spending and Revenue Options*. (Incidentally, Mr. Chairman, over the years, Members of the Congress have told us that they find this to be one of the most useful documents we produce.) The study describes several broad strategies for reducing the federal deficit and analyzes numerous specific spending and tax options for implementing those strategies. For each option, outlay savings or revenue increases relative to CBO's baseline projections are presented. The Fiscal Analysis Division prepares the economic assumptions used in the report. The Budget Analysis Division prepares the baseline projections using these economic assumptions. The program divisions develop strategies and options. The cost analysts in Budget Analysis provide the savings estimates associated with each option. The Tax Analysis Division provides the analysis of revenue increases.

THE FISCAL YEAR 1987 REQUEST

As I previously indicated, the increment over the 1986 operating level reflects CBO's needs in three areas: personnel, automated data processing, and other support services.

Personnel

Mr. Chairman, as I said at the outset, we have come here today asking for 10 additional positions above our authorized level of 222 positions. Full funding of our authorized level would allow us to carry out, in the most efficient and professional manner, duties previously assigned to us by the Congress. All 10 of the additional positions we are seeking are attributable to the work assigned us by the Balanced Budget Act.

The bulk of the new positions--six--will be for the Budget Analysis Division. They comprise a principal analyst, an associate and an assistant analyst, and three cost analysts. Total cost for the positions (pay and benefits) in fiscal year 1987 is estimated at $238,000.

The other four positions would be split evenly between our Tax Analysis and Fiscal Analysis Divisions. As I have previously stated, the

Balanced Budget Act requires that we do rigorous forecasting and systematic monitoring of economic activity on a continuous basis, rather than twice annually as we do now. To help accomplish this, we have asked for an additional senior analyst and additional associate analyst for the Fiscal Analysis Division at a cost of $89,000 in fiscal year 1987.

Before passage of the Balanced Budget Act, we were already anticipating the need for two more analysts in our Tax Analysis Division. The pressure our revenue estimating division was under during the compilation of the Sequestration Report only reaffirmed our need for increased resources here. We request two additional principal analysts at a total cost in fiscal year 1987 of $124,000.

Automated Data Processing

Computers continue to be essential to our operation. In fiscal year 1986, due to sequestration, CBO's budget was cut by $528,000 in this vital area. This action was necessary to avoid reducing our staff size. Steps taken included postponing enhancements to our projection and scorekeeping systems. We asked staff to run large jobs late at night or weekends to take advantage of cheaper computer rates. We moved a number of applications from mainframe computers to microcomputers to avoid timesharing costs.

Although these applications take longer to process, we have saved money. We cancelled the online services of a major econometric service, Chase Econometrics, to save resources. We have also discontinued all contracting of program development.

Resources normally directed at improving and maintaining our computer applications have been used elsewhere instead. Although such systems' maintenance can be neglected for short periods of time, it cannot be done for extended periods.

The increase of $1,482,000 this year includes restoring our base for maintaining and enhancing our current applications. It is only $214,000 more than we requested last year. The Balanced Budget Act activities have resulted in significant growth in our computer data bases. We have had to add more detail to these data bases. This has resulted in increased processing costs not only for new reports, but for all existing reports. Therefore, when we produce projections and scorekeeping reports next year, it will cost more simply because we will have a larger volume of data to process.

For each staff person, there is a direct cost for equipment and performing analysis on mainframe computers. This year's increase allows for equipping any new staff members with the necessary resources.

We also expect our analysis to require greater use of micro data. There is a need for more detailed analysis as we produce numbers for the purpose of cutting existing activities. Such analysis consumes more computer resources. Also, in working with the Office of Management and Budget, we have a greater need to continually compare the estimates of the two organizations.

Finally, CBO was one of the leaders in using microcomputers on Capitol Hill. We began using this infant technology almost five years ago. We strive to keep our analytic staff as current as possible with both software and hardware. In many instances, this has helped us sustain the pace I mentioned earlier. We anticipate the need to upgrade further a number of our software packages in 1987 and to upgrade and replace some of our hardware.

Systems Data and Model Development

CBO programmatic studies are primarily based on data developed and collected by executive agencies. Often an extensive amount of work is needed to transform the data so that our staff can use it efficiently to address issues of interest to the Congress.

Data from the Survey of Income and Program Participation (SIPP) is an example, as is data to be released later this year by the Department of Labor about the extent to which the Job Training Partnership Act (JTPA) is aiding members of the target groups. In both cases, CBO is anxious to have file preparation and data manipulation, large complex jobs, done outside CBO so that staff can focus their efforts on the analysis of the data.

CBO also must update some models annually, such as its Defense Resources Model, which produces budget options for defense. The update accounts for changes in the base and different weapons systems.

The systems data and model development area of our budget absorbed the brunt of the cuts in fiscal year 1986. As with maintenance, costs in this area can be avoided for a period of time, but eventually must be made up or data will be out-of-date. The $240,000 increase requested in this area will raise the level of spending to $375,000, still well below the fiscal year 1985 actual base of $416,000.

Other Administrative Costs

The increase of $146,000--9 percent--in this category is attributable to higher-than-inflation rises in costs of telephone service, printing, and repair and maintenance of office equipment and computers. Other items in this category include travel, training, and office supplies and equipment.

CONCLUSION

Mr. Chairman, as I stated at the opening of this justification, I have tried to maintain a most prudent approach in budgeting as Director of CBO. We are currently operating at a level only slightly in excess of our fiscal year 1984 appropriation. This past year, however, we have been assigned a myriad of new duties by the Balanced Budget Act. In addition, the first priority of the Congress continues to be getting answers to questions about the impact of various programmatic and budgetary proposals. The CBO has been in the front lines throughout these discussions, trying to supply the Congress with the information it needs to serve the nation. Now, the CBO finds its resources extremely taxed. We hope that you will be able to grant us this increase. It will allow us to continue to provide the Congress with the kind of service it has come to expect. Thank you for your time and attention.

APPENDIX A. CBO PANEL OF ECONOMIC ADVISERS

Barbara Bergmann
Professor of Economics
University of Maryland

Barry P. Bosworth
Senior Fellow
The Brookings Institution

Dewey J. Daane
Frank K. Houston Professor
of Banking
Graduate School of Management
Vanderbilt University

Martin Feldstein
President
National Bureau of Economic
Research

Alan Greenspan
President, Townsend-Greenspan
& Company, Inc.

Douglas Greenwald
Consulting Economist
New York, New York

Walter W. Heller
Regents' Professor of Economics
University of Minnesota

Walter E. Hoadley
Executive Vice President, Retired
Bank of America

F. Thomas Juster
Director, Institute for
Social Research
University of Michigan

Lawrence R. Klein
Benjamin Franklin Professor
of Economics
University of Pennsylvania

Paul W. McCracken
Edmund Ezra Day Distinguished
Professor of Business
Administration
University of Michigan

John Makin
Director, Fiscal Policy Studies
American Enterprise Institute

Leif H. Olsen
Chairman, Economic Policy Committee
Citibank, N.A.

Rudolph Oswald
Director, Research Department
AFL-CIO

Joseph A. Pechman
Senior Fellow
The Brookings Institution

George Perry
Senior Fellow
The Brookings Institution

Alice M. Rivlin
Director, Economic Studies
The Brookings Institution

Paul Samuelson
Institute Professor
Department of Economics
Massachusetts Institute of Technology

Charles Schultze
Senior Fellow
The Brookings Institution

Robert Solow
Institute Professor
Department of Economics
Massachusetts Institute of Technology

Herbert Stein
Senior Fellow
American Enterprise Institute

James Tobin
Sterling Professor of Economics
Yale University

Michael G. Wellman
Director, Planning and Research
K Mart Corporation

APPENDIX B. SUMMARY OF REQUESTED CBO REPORTS
(October 1, 1984 to September 30, 1985)

Requester	Number of Reports
House Appropriations Committee	2
House Armed Services Committee	3
House Budget Committee	4
House Energy and Commerce Committee	1
House Merchant Marine and Fisheries	1
House Ways and Means Committee	5
Senate Appropriations Committee	3
Senate Armed Services Committee	5
Senate Budget Committee	4
Senate Commerce, Science, and Transportation Committee	1
Senate Energy and Natural Resources Committee	1
Senate Environment and Public Works Committee	1
Senate Finance Committee	3
Senate Labor and Human Resources Committee	1
Mandated by the Congressional Budget Act of 1974	4
TOTAL	39

[CLERK'S NOTE.—The Congressional Budget Office Report on Ongoing Projects will be held in the Committee files for a short period of time.]

Mr. FAZIO. First of all, let me say that your staff did an outstanding job in a very difficult and time-limited situation as we attempted to pass the debt limit extension. I am very proud of the work accomplished by the Appropriations Committee staff, along with personnel in the Ways and Means and Budget Committees. Certainly, OMB and GAO were stretched as well, but no other entity bore up as well under the burdens as did the CBO staff. That includes personnel at all levels throughout the agency.

Mr. PENNER. Thank you.

Mr. FAZIO. We owe you a debt of gratitude for the work that was performed.

Agencies in the Legislative Branch were directly affected by the mandated reductions. Our budgets were reduced by 4.3 percent on top of maintaining the Legislative Branch at the fiscal year 1985 level.

In the case of CBO, we prevailed upon you for some fairly deep cuts last year, and that was after you presented us a rather conservative budget request. So, it is not inappropriate for you to be honestly stating your needs at an 18 percent increase level.

However, our resources are probably more limited than most. Our ability to provide the funding that I think you warrant is not great.

THE COST OF CBO'S NEW WORKLOAD

Mr. FAZIO. I would like to talk about the requests for additional staffing, but I first would like you to tell us about the costs relating to your Gramm-Rudman responsibilities.

Mr. PENNER. Because it was such a complicated effort involving so many different components of the office, I think it is very difficult to attach a dollar cost to it. The major cost, I think, was not money so much as the staff working extraordinary hours, which you just can't expect over long periods of time. We were lucky to some degree that we got cost sharing of the actual printing of the report, which could have been very expensive.

Mr. FAZIO. I am interested in the measurement in manhours, but will accept other means of quantitative analysis. It was an extraordinary effort, and it deserves to be documented for the record.

Mr. PENNER. The fellow that really deserves extraordinary credit is Jim Blum, sitting over here.

Mr. FAZIO. Do you want to take a bow, Jim?

Mr. PENNER. He did take off New Year's Day, but I don't know if he was home much any other time during that whole period.

Mr. FAZIO. I remember mentioning to you one night you should send out for Chinese food for the staff over there. You indicated to me you didn't have a fund that would permit that.

I have some questions relating to your involvement in the GRH process to be answered for the record.

[The questions and responses follow:]

GRAMM-RUDMAN DUTIES

Question. CBO did yeoman's work with the January Gramm-Rudman responsibilities laid on you, OMB and GAO. How did you organize this work? What divisions were involved? How many personnel? Have you figured out what it cost?

Response. Virtually from the time the Balanced Budget and Emergency Deficit Control Act of 1985 was passed in mid-December to the issuance of the Sequestration Report in mid-January, the majority of CBO staff were involved in preparing the joint CBO-OMB report. Technicians led the way, reviewing over one thousand accounts and applying budget cuts to hundreds. Economic assumptions were updated from last August, forming the basis for the report. Aggregate levels of budget authority, outlays, revenues, and the resulting deficit were also reestimated from last August's levels.

Organization of the work had to be done quickly. Shortly after the enactment of the law, Budget Analysis Division Assistant Director James Blum and I met with their OMB counterparts to plan overall strategies. Within CBO, the division of labor was determined in meetings between myself and the Executive Staff. The Budget Analysis Division was responsible for estimating budgetary base levels, account levels, spending aggregates, and sequestration rates; the Tax Analysis Division for the revenue aggregates; and the Fiscal Analysis Division for the underlying economic assumptions.

All work was reviewed by division heads and forwarded to the Director's Office for subsequent approval. In addition, all disputes between CBO and OMB were decided in part by CBO's general counsel, Alfred Fitt, who worked full time interpreting the statute for CBO analysts as well.

In addition to the Director's Office and the three technical units, CBO's Office of Intergovernmental Relations also worked nearly exclusively on the Sequestration Report from the time of the passage of the law through the time the report was issued. All requests for information about the new law, the new process, and CBO's calculations were funneled through the Office of Intergovernmental Relations. First and foremost among OIGR's responsibilities was Congressional liaison. There were hundreds of inquiries from Congressional offices on all aspects of the Balanced Budget Act. In addition, the office fielded as many questions from all types of media, as well as from other legislative and executive branch agencies and departments. The Director of OIGR, Stanley L. Greigg, worked closely with OMB to coordinate both the overall production of the report, the text of which was edited and produced in OIGR, and its offical release to the public.

Fortunately for CBO, this work came at a time when CBO would normally be recalculating our economic assumptions and estimating the effects of final Congressional actions to update our budget and economic outlook and the other volumes of our annual reports. Much of that work dovetailed into the work required for the Sequestration Report. However, specific details of our annual analyses had to be put on hold until the work on the report was completed.

In all, 120 professional and support staff worked nearly full time for several weeks on the Sequestration Report at a total personnel cost of approximately $331,264. Because other duties had to be carried on as well, an enormous number of overtime hours were worked, but since overtime is not paid, we do not have a precise record of the number of hours involved. In addition, initial computer costs were approximately $25,100. This does not reflect increased expenses due to enlarged data bases. Maintaining this added detail will increase the processing costs of all subsequent CBO analyses. Printing, distribution, and storage costs of the Sequestration Report were more than $50,000.

For CBO, the sobering aspect of this is that we face a second round of similar costs in August when we make our Sequestration Report for fiscal year 1987. Following budget cuts in fiscal year 1986 by the Congress and the Balanced Budget Act, the CBO is already operating at real levels below our fiscal year 1985 appropriation. This second round of expenses comes not only at the end of the fiscal year, when resources are naturally running low, but when the Congress is likely to increase its demands for computer-generated budget information as it seeks options to the across-the board budgeting of the Balanced Budget Act.

Question. While you were doing these extra activities, you were developing the source data for making a GRH sequestration at your own agency—$726,000. How have you applied that reduction?

Response.

CONGRESSIONAL BUDGET OFFICE FY 1986 REDUCTION PURSUANT TO PUBLIC LAW 99-177

OBJ Code and description	FY 1986 appropriated	Reduction	FY 1986 adjusted budget
11.1 Permanent positions	9,091,000	0	9,091,000
11.3 Pos other than perm	193,000	(50,000)	143,000
12.0 Benefits	1,076,000	0	1,076,000
13.0 Benefits former emp	5,000	0	5,000
21.0 Travel	70,000	0	70,000
23.0 Rent, comm, utilities	425,000	0	425,000
24.0 Printing	370,000	15,000	385,000
25.0 Other services	4,993,000	(653,000)	4,340,000
26.0 Supplies	280,000	(20,000)	260,000
31.0 Equipment	383,000	(18,000)	365,000
Grand total	16,886,000	(726,000)	16,160,000

Steps necessary to achieve cuts:

1. Positions other than permanent (11.3): Reduce the semester intern program by four positions, saving $50,000. Five positions have been committed to date.

2. Printing (24.0): Increase the printing budget by $15,000 to help offset the additional printing costs of about $80,000 for the sequestration reports in FY 1986.

3. Other services (25.0): Other Services will be cut by $653,000, or 90% of the total reduction. This reduction is made up of $191,000 from commercial ADP timesharing, $317,000 from interagency ADP timesharing, and $145,000 from systems, data and model development funds.

4. Supplies (26.0): ADP software purchases will be cut by $20,000, or 18%.

5. Equipment (31.0): Equipment purchases will be cut by $18,000, reducing planned microcomputer and word processing replacements and upgrades.

GRH REDUCTIONS

Question. How will these reductions affect your workload? What impact will they have? Will there be any noticeable effect on your services to Congress?

Response. In spreading the Balanced Budget Act reductions within CBO, we felt it necessary, as a support agency of the Congress, to apply the sequestration to areas other than personnel. In serving the Congress, it is our feeling that we are most useful when tapping the expertise of our analytic staff. Therefore, we elected to curtail ADP and administrative costs, with a minor adjustment in our semester intern program, thus avoiding taking personnel actions that would affect the staff. As a result of the reduction in our fiscal year 1986 appropriation, we already felt the impact on personnel as we were funded only a 216 work-year level rather than our authorized ceiling level of 222. In our computer area, we have our systems analysts developing cost avoidance measures to reduce our expenditures. In some cases, this involves transferring mainframe applications to microcomputers to reduce timesharing costs. This, however, diverts the analysts from maintenance and development activities and can be done for only a short period of time.

It is certainly our desire to continue to be responsive to the Congress in the types of services we provide. We place a high priority on the wide range of work we perform daily for the Congress. We anticipate that some of our work will not have as quick a "turnaround time" as before the reductions. Also, some of the more detailed requests may require scaling back. Certainly, we will monitor most carefully any request calling for extensive computer runs, and there will be some requests for studies that will just have to be denied or placed on hold.

To date, we have been able to absorb the costs of the increased workload placed on CBO under the Balanced Budget and Emergency Deficit Control Act of 1985. However, of considerable concern is what happens in the longer haul—namely, if we continue to place heavy demands on our key analytic staff and no relief is provided, we do indeed run the risk of staff burnout.

FUTURE WORKLOAD REQUIREMENTS

Mr. FAZIO. You obviously have made an effort to build up your capability to handle some of the new workload. You are now requesting resources because of the already comprehensive responsibilities you have. The additional responsibilities will be imposed on you in a more gradual timeframe and will be stretched out over a longer period of time. You should not have that peak effort forced on you in the unrelenting way it occurred the first time around.

Mr. **Penner**. I think it depends on how the workload evolves. In August, we will still have a peak in the sense that we will be doing our August budget and economic update at the same time as we will be starting the sequestration report. For the reasons you mentioned, a lot of things will be better the second time around. On the other hand, the one advantage we had the last time was that the Congress was not in session. If the Congress is in session and if the OMB/CBO report suggests a shortfall in August, then, of course, one would expect a flurry of Congressional activity that would try to correct whatever excess deficit there is. So I think that is one aspect of the situation which could be worse next time, as opposed to this recent experience.

NEW POSITIONS

Mr. **Fazio**. You are requesting six new positions for budget analysis, two for fiscal analysis, and two for tax analysis. Do we need the people in the tax analysis area? We had a discussion last year concerning using the Taxation Committee for tax revenue estimating. These positions are requested for "estimating CBO baseline income and excise taxes". That is a task you have been doing for years—and I know you have to rely on the Tax Committee's support for that. Why do you need two additional analysts?

Mr. **Penner**. We think that we really fell down in that area last year, even before the Gramm-Rudman-Hollings tasks hit us.

We have a very close working relationship with the Joint Committee. They do all of the detailed estimates when the Congress changes various provisions of the bill. We do the macroeconomic estimates of the aggregate revenues. We also do some things that they don't do. We do estimates on any tariff legislation, and that is where we really fell down last year. We just couldn't keep up with the various bills in the tariff areas.

Mr. **Fazio**. Who has that responsibility now, since you don't have the capability? Is it the Ways and Means staff?

Mr. **Penner**. We did it. We just didn't do it as well as we thought that we should. I should add that in this area we work very carefully with the International Trade Commission. That helps us.

We work with ITC on a lot of these tariff measures. One of the reasons I am suggesting those two positions in tax analysis is that we really do feel that we fell down in that area last year. Moreover, like JCT, we are, of course, getting asked a lot more questions in the revenue area these days because of tax reform legislation, in particular.

Just to summarize, we don't think we did a very good job in the tax area last year, and much of the reason for that was a lack of staff.

Mr. **Fazio**. It is not so much estimating revenues, such as excise taxes, that are in effect in terms of their contribution to the Treasury, as much as the estimating capability in tariffs trade law.

Mr. PENNER. Yes, and we are looking to improve our revenue estimating capability in general. Also, because the JCT has been so overburdened with tax reform requests, I think that we probably have borne some of the overflow and received a lot of analytic requests we would not normally get.

Mr. FAZIO. Once we are past this crisis of an annual major tax reform will you be able to go back to the norm. Then JCT will be able to provide you with more input than you have had in the last year or two?

Mr. PENNER. I think that is right, sir. If we could go back to one tax bill every five years or so, obviously the workload would be much diminished.

NEW RESPONSIBILITIES

Mr. FAZIO. The private sector would appreciate it as well. They care less about the details of the bill and more about its accomplishment.

You again mention your need to improve your capability to estimate the effects of legislation. Those are the fiscal analysts. You have 23 staff positions currently allocated to fiscal analysis. What do you plan to accomplish with the additional two positions?

We have talked in the past about local revenue impacts and a variety of other things we would like to have in the Legislative Branch. We are far more familiar with your budget analysis work. Do you want to comment on the fiscal and tax analysis work?

Mr. PENNER. First of all, state and local cost estimates are done in the Budget Analysis Division, largely with help from other analytic divisions. The fiscal positions, of which there are only two, are really aimed directly at the new duty that we have, which we consider to be an extraordinarily responsible one, of having to monitor day-to-day developments in the economy. This new responsibility stems from the huge task of having to warn the Congress if the recession provisions of the Balanced Budget Act should be invoked or not. The law really places it solidly on our shoulders to give you the opportunity to make that decision.

Mr. FAZIO. This is sort of a fiscal Swat team? Is that what you are telling us?

Mr. PENNER. It is more than that. The law tells us if we see a recession coming at any time, we are supposed to notify you.

Mr. FAZIO. Set off the alarms?

Mr. PENNER. Set off the alarms, yes.

Mr. FAZIO. Are we close to a recession?

Mr. PENNER. We are pretty far from it right now. But you know the accuracy record of economic forecasting.

Mr. FAZIO. Based on your recent economic estimates, we probably could defer this for several years.

Mr. PENNER. Actually, there is one built in to our forecast, which you don't see.

Mr. FAZIO. We appreciate your role and certainly we want you to pull that alarm if necessary.

Mr. PENNER. I should perhaps add that we don't typically perform that kind of a task, Mr. Chairman. Under the old rules, we were only required to forecast twice a year, so it was a very different kind of situation.

Mr. FAZIO. Are you required to perform periodic forecasts more frequently, or will you intervene as the conditions warrant?

Mr. PENNER. I think the latter. We have an agreement with the two Budget Committees that we won't forecast more than twice a year without the explicit request of the two chairmen. You can imagine the mischief a new forecast might do in the middle of a budget markup or something like that. My predecessor reached that agreement not to have a new forecast with the two Budget Committees.

STAFFING REQUIREMENTS

Mr. FAZIO. Are you considering contractual support to help you through the peak periods in August, or do you want to increase annual capability? Have you thought about the possibility of temporary staff to deal with the crunch.

Mr. PENNER. The problem with that is that it is an extraordinarily specialized occupation. If we bring some new person on board, it really takes almost six months before that person is fully working at 100 percent capability and fully informed of the program characteristics that he or she has to look at. So unfortunately, there is not, a consulting firm out there that provides the kind of expertise that we need.

Mr. FAZIO. I will bet there is, but I am not sure we want it.

Mr. PENNER. There may be after this. I don't know. We have great faith in the marketplace, however, so one could well spring up.

Mr. FAZIO. I am concerned that the additional positions might not be needed intensively throughout the entire fiscal year. Perhaps other personnel in the Legislative Branch and other agencies could be detailed to help you out of situations like the one we had under Gramm-Rudman. GAO may have some staff you could utilize. Of course, we don't know what the Supreme Court will decide about their role. Your role is clear; theirs is somewhat up in the air.

This is a possibility we should consider. We have had to do with less in the Legislative Branch in recent budgets. I don't have to tell you, because you have been part of it. We have several questions for the record concerning staffing.

[The questions and responses follow:]

REQUESTS FOR NEW POSITIONS

Question. In budget analysis, you are requesting 6 positions. 4 of these are for a new unit. What will this unit be called and what will their duties be?

Response. The Budget Analysis Division is the recipient of the major thrust of the workload generated by the Balanced Budget Act. Current staff has been stretched almost beyond its limits in producing the required initial reports. Additional personnel are needed to handle the costing of proposed legislation, monitoring of current expenditures, support of CBO scorekeeping efforts, five-year projections of budgetary resources of certain programs, and analysis of budgetary resources and outlays necessary for CBO's sequestration reports required under Gramm-Rudman-Hollings.

Organizationally, these additional personnel would be used either as a separate cost unit or, because of the nature of the work required, placed in existing units to meet the requirements of the additional workload imposed by the Balanced Budget Act.

Question. The 2 positions for computer support—did you use the computer for the January exercise? What other computer work needs to be done that requires 2 permanent staff?

Response. We used both micro- and mainframe computers in our analysis of the Balanced Budget and Emergency Deficit Control Act of 1985. As indicated earlier, we estimate that the cost of producing reports for this effort exceeded $25,100. This first effort highlighted the need to develop stronger system capabilities between OMB and CBO. This capability will require the establishment and maintenance of programs to exchange data with OMB. It will also require the development of added analytic reports. Furthermore, we need to provide additional computer support for the staff additions required by the act. At present, CBO has one full-time staff person and one intern maintaining all of our microcomputers. We have found that the internship period is too short to support this function and are requesting an additional staff person for this important work.

Question. For the record, please amplify the specific duties and workload that the additional staff will perform and indicate how this work differs from the normal CBO workload.

Response. The Tax Analysis Division (TAD) of CBO regularly estimates federal government revenues, updating the projections as often as necessary to facilitate the Congressional budget process. Total federal government revenues projections are composed of approximately 100 sub-elements, 60 of which are estimated by the staff of TAD without assistance from outside of CBO. The other sub-elements are estimated by TAD staff with assistance from various offices within the Executive Branch. In addition to these elements of regular CBO baseline revenue projections, the Tax Analysis Division provides estimates of proposed tax legislation, usually with considerable support from the Joint Committee on Taxation.

The two additional TAD staff members would be fully responsible for CBO estimates of excise taxes including the windfall profit tax (almost 50 sub-elements in all) and share responsibility for personal income tax estimation, which accounts for close to one-half of total projected tax dollars. In addition, these staff members would provide estimates of energy taxes, general consumption taxes such as a value added tax or business transfer tax, effective tax rates for different industries and different kinds of depreciable business assets, and estimates of the distributional effect of such tax proposals.

Written analyses and budget estimates provided by TAD have been increasing steadily in number and scope over the past few years. These new staff members are necessary to allow CBO to meet current expectations of the Congress for this information—in timely fashion and of sufficient quality to meet CBO's established standards.

Under the Balanced Budget Act, CBO's economic forecasts take on increased importance since the forecast will be a major determinant of the size of any sequestration. Therefore, the Fiscal Analysis Division must place even greater emphasis on the accuracy of forecasts. In addition, CBO is required under the Balanced Budget Act to report when a recession has occurred, and also when a recession is expected to occur. The Fiscal Analysis Division's staffing has been just adequate to respond to most requests for analysis from the Budget Committees and to produce reports twice a year on the economic situation and outlook. Current staff is not adequate to meet the new requirements of the Balanced Budget Act. It will now be necessary to monitor the state of the economy more closely and continuously throughout the year. The Fiscal Analysis Division (FAD) could accomplish some of the new tasks by shifting the focus of several analysts more toward the monitoring and analysis of current economic data, but to fully meet the increased work load additional analysts will be needed. At a minimum, FAD must hire an additional analyst whose primary focus would be to monitor current developments in the economy, and assist in the continuous development and updating of economic forecasts, and an additional assistant analyst with a good background in computers in order to increase the amount of computer support to all analysts so that they can accomplish their tasks in more timely fashion and more efficiently.

TEMPORARY EMPLOYEES

Question. For the record, update the tabulation of temporaries, consultants, and on-site contractors which appears on pages 211-212 of last year's hearings.

Response.

CBO TEMPORARIES AND DAYS SERVED, 1983–84–85

Name	1983	1984	1985
Panel of Economic Advisors:			
Barbara Bergmann	2		1
Douglas Greenwald	2	2	
Walter Heller	1	2	1
F. Thomas Juster	2	2	2
Lawrence Klein	1	1	
John Makin		2	1
Leif Olsen		2	1
Joseph Pechman	1	2	1
Charles Schultze		2	1
Herbert Stein	2	1	1
James Tobin		2	
Michael Wellman	1	2	1
Consultants:			
Alan Blinder	1	1	2
Eric Hanushek			32
Herbert Klein	1	1	
Frederic Mishkin	1		
John Makin		2	8
On-site contractors:			
Gwen Adams			44
Kristen Allen			141
Costibile Associates	114	119	138
JV & Associates	237	224	225
Jonkey Corporation		192	240
Marion Curry	244	241	166
Mark Dayton			184
John Gaffney			12
Patrick Gardner			10
Daniel Gengler			10
Edward Gullason			20
Miriam King			100
Jared Kotler			61
Mitchell Mutnick			40
Ralph Rector			100
Peter Siegeiman			82

Temporary clerical employees remain on the payroll of their respective employment agencies. Our records indicate temporaries worked a total of 279 days in 1983, 205 days in 1984, and 256 days in 1985.

ADP CAPABILITY

Mr. **Fazio**. I would like to talk to you about the ADP capability you are requesting. You have a price increase of $173,000 in your time sharing, and I am wondering if there is competition involved, or is there a limited number of vendors so that we must pay the asking price. It is a major part of your budget. What is your response to that?

Mr. **Penner**. Let me ask Bob Harris to comment on the nature of the price increases. He runs our whole ADP operation for us.

Mr. **Harris**. The one area we have somewhat of a problem with is receiving the computer services we need from the econometric firms. We try to reflect for this Committee and for the Budget Committees the outcome of the major econometricians and firms. Therefore, you can go to only Data Resources, Inc. to get Data Resources, Inc. services and only to Chase to get Chase services.

Hence, when they decide on a price increase for the entire Federal Government, we don't have much option other than to accept it.

We have examined that situation very carefully as the result of the Gramm-Rudman cuts for 1986. We have concluded, with the consent of the House and Senate, that we could not afford to carry an additional firm.

Mr. FAZIO. How many do you have now?

Mr. HARRIS. We have four econometric firms.

Mr. FAZIO. What about the hardware? I understand you are trying to acquire additional microcomputers, upgrading some and replacing others.

Mr. HARRIS. That is right. We first came into the business in 1981. Some of the equipment we purchased then is not only running 40 hours a week but weekends as well, and is starting to show the wear and tear. Moreover, some of it is becoming technologically obsolete. It is not as fast and responsive as we could get.

With the current price decreases, it seems the right thing to do to stay on the edge with this equipment in order to get the highest possible productivity to respond to committee requests.

COMPATIBLE ADP SYSTEMS

Mr. FAZIO. You are also developing some new capability, and new systems. Is the equipment able to communicate with most of the other data bases on Capitol Hill, or do you have a limited capability in that sense? What systems are linked together? What data bases can you access?

Mr. HARRIS. We do have an arrangement where we transmit data back and forth. We have done little of that with the Senate, primarily because they have come to us for the data anyhow. With the advent of Gramm-Rudman, we do have a new problem. We must work closely with OMB, to make sure they can interface well. We relied in large part, on this last go-round on the OMB computers because we have provided them with our data in the past, and we have not had an occasion other than simply getting the budget tapes, to use their data. So we need to strengthen that capability.

Mr. FAZIO. Is that part of your budget?

Mr. HARRIS. Right.

Mr. FAZIO. What other agency do you need to be in closer communication with?

Mr. HARRIS. We rely predominantly on OMB for data input on that, so we do not have data calls going out to the various departments and agencies. That is just very time consuming and difficult. We would rather have the anointment of the OMB on the data we receive from the agencies, and so we continue to channel our data needs to them.

Mr. FAZIO. You recently had a point of contention between Chuck Bowsher and OMB over common data. Do you believe we should have a common data base for Federal budgeting purposes? Not to say we would share the same economic assumptions, but that there should be a factual basis upon which we could all begin to build our premise. Do you think that this could be achieved in the future?

Mr. HARRIS. Yes, it is very feasible from a technical standpoint. On the other hand, we have had an outstanding working relationship with the Office of Management and Budget, and we really haven't encountered those kinds of problems. Our professional relationship has been very very good.

This year under Gramm-Rudman, we are targeting a $11.7 billion cut. Next year there is going to be an issue as to what the level of the cut will be, but I don't see that changing our relationship.

Mr. PENNER. I think that that will be, perhaps, a contentious issue, but it won't be one that involves a lot of work. I do think that we do extremely well in being compatible with OMB on the kind of data we need for the budget. Our computers talk to each other very well. We ship tapes back and forth, and so on.

On the tax issue, there is a confidentiality problem with records. For that reason, we really do rely on the Joint Tax Committee to do a lot of our work for us.

Mr. FAZIO. Are there any questions from my colleagues? Your budget this year is clear and concise. I don't know if it is possible to fulfill your entire request but I can't dispute it. We have several questions for the read concerning ADP systems and hardware.

Any other members of the committee want to question the witness?

[The questions and responses follow:]

ADP SYSTEMS AND HARDWARE

Question. The 4 percent ADP price increase is $173,000. How many contracts does this involve? How many vendors?

Can we recompete these contracts? Maybe we can save money.

Response. It involves 15 contracts and 3 interagency arrangements with federal agencies. It also involves 15 vendors.

Nearly all of these suppliers are providing unique services. Therefore, placing these contracts in competition is not appropriate. For example, the committee asked us to compare our economic forecasts with those of the leading economic firms. To do this, we must contract with each of the economic firms.

Question. For the record, give us a list of these contracts, the product acquired, vendor annual cost, date last negotiated, and whether or not they were competitively acquired.

Response.

CBO CONTRACTORS AND INTERAGENCY AGREEMENTS

Vendor	Product acquired	Annual Cost FY 1985 (thousands)	Date last negotiated
Commercial:			
ADP Network Services	Timesharing	1.4	GSA 10-1-1985.
American Management Systems	Timesharing	58.1	GSA 10-1-1985.
Control Data Corp	Timesharing	187.4	GSA 10-1-1985.
Data Resources Inc	Econometric Services	330.2	GSA 10-1-1985.
Townsend/Greenspan	Econometric Services	5.5	GSA 10-1-1985.
Wharton Economics	Econometric Services	27.6	GSA 10-1-1985.
Citibase	Data	3.9	10-1-1985.
Dow Jones	Data	.4	10-22-1985.
Faxon	Data	4.0	10-7-1985.
MIT	Software Services	2.4	10-1-1985.
Standard & Poors	Data	16.1	9-17-1985.
Telerate	Data	6.5	11-22-1985.
Mead	Data	2.3	2-7-1984.

CBO CONTRACTORS AND INTERAGENCY AGREEMENTS—Continued

Vendor	Product acquired	Annual Cost FY 1985 (thousands)	Date last negotiated
Management Applications	Statistical Service	2.5	7-25-1983.
Curry	Data Entry Service	14.3	10-1-1985.
Federal Agency:			
House Information Systems	Timesharing	2,816.6	9-1-1985.
National Institutes of Health	Timesharing	3.4	10-1-1985.
Treasury	Timesharing	6.0	10-1-1985.

The CBO uses the GSA scheduled prices when available. These prices are more favorable than CBO could negotiate. All of the data services are unique and can be acquired only from these vendors. Therefore, competition is not necessary. For the federal agency prices, we use the rates they charge other agencies and these are generally close to their cost or below. Those contracts of less than $25,000 are not competed.

Question. You are asking for a $95,000 increase for systems, data, and model development which includes the development of new systems and updating old ones. What "new" systems need to be developed?

Response. New systems and model development projects planned for 1987 include the following:

FY 87 Request ($375,000):	*Estimated cost*
Outside consulting on general equilibrium modeling	$10,000
Analysis of the Job Training Longitudinal Survey	50,000
Analysis of the 1987 National Medical Expenditures Survey	100,000

Question. What "old" systems need to be updated? What updating activities have you performed on these systems over the past two years, including FY 86?

Response. All of our computer systems need to be maintained. Moreover, those that have been in use for a long period need to be updated to handle new requirements, expanded data bases, and to operate more efficiently. We will be examining the major systems that are supporting our scorekeeping and projections work.

The planned transfer of LEGIS from the Model 204 database system to the more flexible ADABAS data base management system requires extensive modification of the following two applications, neither of which has been updated during the past two years.

1. *Early Warning System* is used to track authorizing legislation with a spending impact until the bill is reported. The reports are used by the Congressional Budget Office, House Committee on Appropriations, Senate Committee on Appropriations, House Budget Committee, and Senate Budget Committee.

2. *Revenue Legislative Status System* tracks and tabulates legislation affecting government revenues, which either has passed or is being considered by the current session of the Congress.

In addition, the following systems need to be updated:

1. *Budget Analysis Data System (BADS).* The reporting programs will be redesigned and rewritten to reduce the cost of running reports. We will also be making enhancements to handle the non-Budget Authority and Outlays budgetary resources used in the Balanced Budget and Emergency Deficit Control Act of 1985.

The BADS has had many updates over the past two years. Some of the major enhancements have been the following:

Incorporation of spending scorekeeping, thereby eliminating the timesharing Congressional Scorekeeping System (CSS);

Development of an automatic transfer process to move data to and from the BADS to the HCA's Comparative Statement of Budget Authority (CSBA) System;

Development of an HBC direct access capability for selected BADS data;

Partial incorporation of Credit Scorekeeping; and

Implementation of full Boolean selection logic throughout most of the system.

2. *Legislative Classification System.* This system was fully rewritten last year under the ADABAS data base management system. Typical modifications and enhancements that can be expected after one year's use are being requested and filed at this point.

Question. How much is in the base for new systems and how much of the base is for updating current systems?

Response. The FY 1986 base of $135,00 consists of the following:

	Estimated cost
Model development	$20,000
Data acquistion	36,000
Agreement with Syracuse University for the temporary assignment of Stephen Long under the Intergovernmental Personnel Act of 1970	79,000
	135,000

Question. How many microcomputers do you plan to upgrade or replace? Will they be purchased or leased?

Response. We expect significant upgrades will be needed in our spreadsheet, wordprocessing, disk operating (DOS), statistical, data base managment, communications, and statistical programs in fiscal year 1987. The reason for these upgrades is the expected major change in the DOS that will expand the amount of user memory available. This change will have a major impact on all existing software. We have not, however, allowed for this major shift in our base.

Question. How many microcomputers do you plan to upgrade or replace? Will they be purchased or leased?

Response. Because of the new disk operating system software that will expand the memory size of the microcomputer, a large number of our systems that are now constrained by memory will need to be upgraded. In a number of cases, such upgrading will require expanding the storage capacities to support the expanded user memory. In terms of replacing versus upgrading equipment, the following distinction applies:

Replacements: Due to wear or obsolescence: 5 monitors, 30 printers, 13 micros.

Upgrades: 110 micros-memory, 87 storage, 10 communications.

This equipment will be purchased.

Question. There aren't many microcomputers that are more than a few years old. Why do they have to be replaced already?

Response. The rate of technological achievement in microcomputing has resulted in a doubling of capability every two years. Consequently, machines that are three years old or older are frequently outdated. As the hardware advances, software programs are expanded to take advantage of the new hardware. Therefore, users are forced to upgrade their hardware in order to use the supported software. CBO has attempted to purchase hardware that can be expanded or upgraded at a cost below that of total replacement. This upgrading can usually be accomplished through one cycle of upgrading. However, machines that are older than one technology generation often cannot be upgraded and have to be replaced.

Question. Provide a list of your microcomputer inventory, and indicate which will be replaced and which require updating. Provide the same for your word processing.

How many of the microcomputers and word processors that you plan to replace are owned by CBO. For each, provide the date of purchase and cost.

Response. The following list provides an inventory of our microcomputers and wordprocessing equipment:

CBO MICROCOMPUTERS AND WORDPROCESSING EQUIPMENT [1]

	Number	Replace or upgrade	When purchased	Total cost
Micros:				
Apple II Micros	4	Replace	1/81 and 7/82	$8,000
IBM PC's Release 1	9	Replace	1/83, 4/83, 7/83	28,800
IBM PC's Release 2	8	Upgrade 8		
IBM XT's	81	Upgrade 50		
IBM AT's	24	Upgrade 20		
Compatibles	85	Upgrade 40		
Total microcomputers	211			
Wordprocessing:				
Xerox 850's	5	Replace	1/83	13,030
Xerox 850's	3	Replace	1/83	5,082
Total wordprocessors	8			

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[1] All machines are owned.

CBO AND THE BUDGET COMMITTEE

Mr. **Lewis**. Dr. Penner, I would like to associate myself with the Chairman's comments regarding the response and load we placed upon you during that very unusual session. I hope we can find some other title for Gramm-Rudman. Indeed, you took on a horrendous responsibility and responded in very fine fashion. I have been interested in commentary which suggests that there may be a difficulty in the base line projections for the work that is ahead of us between that which you will be using in CBO and that which the budget staff itself may be using.

And one of the primary items that may be a source of difference involves how one calculates the impact of crude oil pricing. It is my understanding that maybe the Chairman of the Budget Committee and the House, at least his staff, may have a different resource for data and projections. If that is the case, I am wondering why. CBO is our professional organization, and they have served us through various administrations. Beyond that, could you discuss with us the oil pricing question and what you think we might be doing with that. Are there any adjustments we might be making in the months ahead?

Mr. **Penner**. As you know, sir, the Budget Committee does have a staff of economists, and I guess, like economists all over the world, they are very concerned about the oil situation. Frankly, while I know they have been working on it, I am not at all acquainted with the results of their work on it. I haven't seen it.

With regard to——

OIL PRICES AND THE ECONOMY

Mr. **Lewis**. Wait a minute. You are suggesting we have a pool of economists over here who are basically doing what I consider to be CBO work. They are advising the Budget Committee and that might be the basis for their going forward on assumptions and projections and presumptions when, on the other hand, we fund this pool of economists, namely CBO, for the same purpose?

Mr. **Penner**. I don't know what their plans are, but ever since I remember there have been both Majority and Minority economic staffs associated with the House Budget Committee. I assume they want them for independent analyses—independent of us, I guess. That has been the case for a very long time. I don't think they have added to that staff, and it is a very small group of people. But I think it is obviously up to the committee as to how much of their resources they want to put into that sort of work.

From our own point of view, we began our forecasting effort at the beginning of December. At that time, we anticipated some considerable fall in oil prices, though absolutely nothing like what subsequently occurred. We had the opportunity to correct our forecast for the change, but as time went on, those oil prices were jumping sometimes $1 a day per barrel. Consequently, we felt that any adjustment we might make in the interim we would probably regret two weeks later, and in fact that was correct. I would have never thought in January we would be talking about $12-a-barrel oil today. So we chose not to change the basic assumptions underlying our forecasts.

Obviously, the fall in oil prices is good news for the economy on average, though bad news, as you well know, for particular regions of the country. But good news on average for the economy and it should in the longer run, therefore, be good news for the budget. As always, forecasts are buffeted by random events on each side. On the other side, we were not able to take account of the rather substantial downward revision in the last quarter estimates of GNP. Hence, we need some boost from the oil side to make up for that in our forecast.

Mr. LEWIS. It is suggested that the combination of growth in the economy and the oil prices could have a very significant impact upon our national projection of deficit. That in turn, it will address itself to the argument we need new taxes; new sorts of revenue. Is there staff within CBO that is examining those numbers?

Mr. PENNER. We are looking at them. As you know, it is an extraordinarily complex problem. We have done some analyses in the past, but of rather small oil price changes. We don't think you can extrapolate from a $2 change to, say, five times that—or a $10 change.

We are, of course, watching the situation carefully. While there is no doubt in my mind that at least in the longer run the decline on oil prices has a beneficial effect on the economy and on budgets, as you said, in the shorter run, vis-a-vis 1987, it gets more complicated simply because any deflation inspired by the oil price change costs us money on the revenue side. Because we index our tax system on the third quarter over third-quarter CPI, the precise timing timing of the CPI changes are very critical, and that makes it very tricky.

Another tricky element is that, while our forecast for inflation is about 3.5 percent CPI, if you cross that 3 percent threshold, then the whole Social Security COLA triggers off.

Mr. FAZIO. May trigger off?

Mr. PENNER. Yes. Retrigger it, as it were. Under current law, the difference between 3.1 percent inflation and 2.9 is about $5 billion on the outlay side.

When you look at the short term, then, there are some very tricky elements as to exactly when the indices move and exactly when any further deflation hits the economy. Therefore, one has to be more careful in generalizing about the 1987 budget than the longer run in this regard.

FURTHER DISCUSSION CBO AND BUDGET COMMITTEE

Mr. LEWIS. Mr. Chairman, I can't help but wonder out loud about how concerned we should be, when an agency under our responsibility, like CBO, which should be dependent, has other committees interested in continuing with their own tasks if development is found. The Budget Committee, for example, starting to develop other sorts of baselines. I would want to scratch my head about that duplication.

You are a member of the Budget Committee, and you indicate you don't know of that likelihood.

Mr. FAZIO. I am not aware of any major effort being performed on oil pricing, any more than on economic work that is performed for the Majority and Minority for evaluation of, not only CBO's base line or economic estimates, but for firms with whom they contract, or for OMB or independent economists who come before the committee.

It is not inappropriate to allow the staff to have additional capability. As Mr. Penner says, it is a small portion of their workload. I would be unhappy if they were spending a majority of their time, working on complicated matters such as oil pricing. I agree with your point that we can't squander resources since they are limited.

It would be less important for the Budget Committee to have that kind of technical expertise than it is for Mr. Penner and his operation.

THE CBO BASELINE

Mr. LEWIS. Rudy, I saw some heads shaking earlier when I was talking about alternative potential sources of information or base line. You do not anticipate at this point in time the Budget Committee will be using baselines for their formal projections or formal uses different than your own?

Mr. PENNER. I can't speak for the House, but I believe that the Senate in their markup materials—and they are starting markup tomorrow—are using our baseline.

Mr. LEWIS. Do you have any indication otherwise?

Mr. PENNER. No.

Mr. FAZIO. We haven't made a decision, but we are inclined to go in the direction of using a CBO baseline this year. We are unhappy about some assumptions CBO has used, for example, that all rescissions and deferrals will be accepted by the Congress.

Mr. PENNER. That is not meant to be a forecast. We feel once the deferral is made, it is current policy.

Mr. FAZIO. That is part of the baseline.

Mr. PENNER. Yes.

Mr. FAZIO. Is that not true? You can correct your boss and me if you want.

Mr. BLUM. With respect to rescissions, sir, rescissions are not put into the baseline because it takes positive action on the part of Congress.

Mr. FAZIO. It is across the board.

Mr. BLUM. Only a few deferrals. A large number were enumerated by the President last month, but only a relatively small number of them affected our baseline projections for fiscal year 1987.

Mr. PENNER. A lot of them would be turned on and off in 1986. To the extent there is a multi-year effect of the deferrals, they are largely reflected.

Mr. FAZIO. There are many issues, Mr. Lewis, within any baseline that could bring about policy differences. They are works of art. It is an issue that requires a political decision, and I am fairly certain we will go along with the Senate and use the same baseline.

Mr. Myers.

ADDITIONAL STAFFING

Mr. **Myers**. Mr. Penner, you are to be commended, in your budget request, you are not asking for a lot of additional people to do the job you say is going to be an increased workload because of Gramm-Rudman—I hate to bring that up. I notice there is almost a $600,000 increase in compensation for personnel, full-time personnel, yet only two additional positions. What is the difference there?

Mr. **Penner**. No, sir, it is 10 additional positions compared with the past.

Mr. **Myers**. Last year you requested 222.

Mr. **Penner**. That is right.

Mr. **Myers**. The numbers have been amended.

Mr. **Penner**. Oh, yes.

Mr. **Myers**. Is that a result of accounting principles you use down there?

Mr. **Penner**. No. We had to make our first submission before we felt we knew what the Balanced Budget Act required of us in terms of total effort.

Mr. **Myers**. What is the revised number?

Mr. **Penner**. Ten.

Mr. **Myers**. So you are requesting 232 positions full time?

Mr. **Penner**. That is correct.

Mr. **Myers**. Those are highly paid positions you are requesting.

Mr. **Penner**. Yes. I am forgetting, too, the effects of the sequestration. Because of the sequestration, we don't have funding for the full 222 people now, and we are aiming at an average for the year of 216. So it is a bigger jump than is indicated——

Mr. **Myers**. Do you want to recover the sequestrated amount plus?

Mr. **Penner**. That is right. I guess I misspoke earlier. The committee cut us last year to a level that was below the previous year's nominal funding. Thus, the main reason for the 216 figure, was the original budget situation.

Mr. **Fazio**. We continue the authorization but cut the appropriation to pay for the positions.

Mr. **Penner**. That is correct.

OTHER SERVICES

Mr. **Myers**. You have a increase of $1,207,000 in other services. What are your plans for that account?

Mr. **Penner**. That funding is mainly for ADP from the HIS.

Mr. **Myers**. What is included in the equipment then?

Mr. **Penner**. Mainly for the replacement of the computer equipment, and so on.

Mr. **Myers**. What is ADP, if that isn't computers? Do you have them on both lines here, both in the other services as well as equipment?

Mr. **Penner**. We do have different sorts. It is not all computers.

Mr. **Harris**. We have commercial time sharing to support an analyst in the Congressional Budget Office. It takes anywhere from $16,000 to $25,000 a year in commercial time sharing or interagency time sharing. In addition, for every new person we get on board, it is going to cost us in the neighborhood of $5,000 to $6,000 to equip that person with a terminal or microcomputers. So the equipment dollars are for the microcomputers or terminals, and the ADP dollars are for commercial time sharing or interagency time sharing.

Mr. MYERS. Supplies and materials are almost double. I realize some of the reports require them, but that is a significant increase.

Mr. PENNER. A large part of that is software for the computers.

CBO'S PANEL OF ECONOMIC ADVISERS

Mr. MYERS. I operated a bank years ago, and we didn't have computers, and I am not sure I could operate one today. Now, the Panel of Economic Advisers, what do they do?

Mr. PENNER. We call them together every year before we do an economic forecast to get their input as to what they think is going on in the economy. That is really their main role, and in fact has been their sole role since I have been at CBO. There have been two meetings a year. If we were asked to do an extra forecast, I suppose we would bring them together to get their advice before that.

Mr. MYERS. Are they paid when they come in?

Mr. PENNER. Yes, they are paid for a day's consultation. Some of them don't take pay, but they are entitled to it.

Mr. MYERS. There are five from Brookings, two from the University of Michigan, two from MIT and two from American Enterprise Institute. If you want input, you are rather inbred there, aren't you? If you want to get a wide viewpoint, you only have two West of the Mississippi. Is that really what you use these people for?

Mr. PENNER. It is more expensive to bring people in from far away, and it is also harder to get them to come.

Mr. MYERS. They don't come in that often.

Mr. PENNER. I think we have a pretty wide diversity. We have different types of people on the panel. We have business-type forecasters, and we have the more academic types, and I think the business types, in particular, bring a wide geographic——

Mr. MYERS. How are they selected?

Mr. PENNER. In a sense, I have selected them personally. I inherited a large number of them from my predecessor, but there is some turnover.

Mr. MYERS. Do they serve a specific term?

Mr. PENNER. No, they do not.

Mr. MYERS. At your pleasure?

Mr. PENNER. Yes.

PRIORITIES FOR CBO

Mr. MYERS. In regard to the request for reports, I see that 16 came to the House, 19 from the Senate, and four, of course, are generated by the Congressional Budget Act of 1974, which are routine.

Do you honor every request that comes from a committee? How do you screen those?

Mr. PENNER. Our law has a set of priorities implicit in it. Chairmen of committees and Ranking Minority are entitled to ask us to do things, as are Chairmen of subcommittees, not Ranking Minority—just Chairmen of subcommittees. The law forgot the Leadership, so by agreement, we also respond to Leadership requests from both parties.

There is a set of priorities in the law. Our first priorities are with the Budget, Appropriations, and Tax writing committees, and then we go down from there. If an ordinary member, who doesn't have standing by one of these rules, asks for——

Mr. MYERS. Like some of us on this side here. Let's be realistic about it.

Mr. PENNER. We generally try to answer a question, especially if we have materials in the files. But sometimes when the request involves enormous amounts of work, we just can't do it. Even in the case of people with standing, we often try to bargain down the amount of effort if we don't really think it is key to the question being asked.

COORDINATION AMONG AGENCIES

Mr. MYERS. It has always troubled me there is duplication of request from the Congressional Budget Office, the General Accounting Office, the other Special Select Committees around the Hill, all doing similar reports. I don't know what that answer is unless there is a clearing house available.

Mr. PENNER. We have responded just that way. You are not the only one who has been concerned.

Mr. MYERS. Now we are going to have the yellow sheet.

Mr. PENNER. Here it all is. This is our so-called research notification system, which is administered by CBO, CRS, GAO, and OTA. Because so many people have been bothered by the possibility that we would be doing the same thing, we have a working group that gets together all the time and is responsible for keeping up this system, in which various people are notified of new projects. If the system works well, analysts at, say, CRS who are asked a question about, AFDC—to take an example should then inform their counterparts who work on the same sorts of things at CBO and other areas of what is going on. We are often asked to cooperate with the other agency as well.

Mr. MYERS. I am glad to hear that.

Mr. PENNER. We recently did a rather major study of with the CRS of children in poverty. Two years ago, we did a study of the Grace Commission, with the GAO. We are constantly getting together, and the heads of the agencies have lunch with each other periodically to ensure that we are thinking along the same lines. So we make a very, very large effort to avoid duplication.

Every now and again the Congress wants us to duplicate things. For example, we were recently asked to do a study on earnings sharing options for Social Security, a study that was done by HHS. We were required by the law to do a report on that study. As the chairman said, sometimes there is a feeling that more than one voice should be heard on the same topic, and I won't deny that now and again there is an accident despite this elaborate network we have set up. Occasionally something slips through the hole of the net. But I think it is rare these days.

CBO'S REPORT ON ARMY RESERVES

Mr. MYERS. Facing the austerity forced upon us here, I am not sure we can afford errors any longer. We need to reduce them. As I was reading through the reports, you have been asked to prepare—some of them might not make the Senator from Wisconsin's list, but quite often he gets a big laugh on some of the issues that are investigated and examined—and one of them which I can't find it in your report here, relates to improving the Army Reserves, November of 1985.

The closest thing I can find here is a report requested by the House Armed Services Committee, which had to do with using Army Reserve and Guard units as a substitute or reduction——

Mr. PENNER. That is what it is about.

Mr. MYERS. It is the same one? It didn't have the same title.

Mr. PENNER. I think we jazzed up the title.

Mr. MYERS. Did the people who wrote this know anything about military?

Mr. PENNER. Some of them actually serve in the Reserves. Most of them have been studying the military most of their professional lives. Is Jack Mayer listed there, for example? He is a major in the Reserves. Neil Singer, who I think played a role in that report, worked in the Pentagon for a large number of years.

Mr. MYERS. I spent a few years in both active duty and Reserve forces, and I read this report. I couldn't really believe what I was reading. A number of years ago I went back on active duty, joining Army officers as well as a great many West Pointers, and I thought, oh, my goodness, can I compete? I came in second in my class with active duty. I could have come in first if I had been making my living in the military. I would have worked harder at it. I found no difficulty, and I have been on active duty a number of times with active duty officers.

Much that you report here is true of the active duty Army and military. There is rivalry, and it doesn't hurt to have the rivalry, but you let the referee not only substitute into the game whenever he wanted to, but let the referee write the report on the outcome of the game.

I, personally, find many things wrong with this. I am not a career military, but I was a career Reservist for 22 years before I came here. For example, "overall most Reserve units are rated marginal ready or not ready for combat." I don't know too many active duty units that could rate ready for combat today. You would have to go back to the beginning of World War II, when we found that to be true.

You also say the Reserves are short of members with aviation, medical and transportation skills; maybe this is true. But I went back to look at some of the performance. In 1985 the Guard units finished well in four major flying competitions; in the Tactical Air Command overall, fifth out of 17, five out of 17 in competition with active duty.

Reconnaissance, International Guard units placed first and second out of 12 units; airlift, first; best air crew, fifth overall out of 33 teams. It goes on; bombing navigation, seventh out of 29. So they are in competition with active duty; it doesn't support what you report. I am troubled with reports like this.

Mr. PENNER. I would be glad to have your comments——

Mr. MYERS. You are getting them now.

Mr. PENNER [continuing]. And respond to them in terms of where the data came from.

Mr. MYERS. On page 16, you suggest training ratings are overstated due to unit commanders "can do" attitude. Is there something wrong with a "can do" attitude? If a guy doesn't think he can do, he is not going to do it.

Mr. PENNER. I don't think it is a criticism——

Mr. MYERS. It says overrated, though. That is criticism. Overstated.

Mr. PENNER. We have to rely a lot on subjective judgments when we are doing readiness measures of one kind or another. That is a problem with them.

Mr. MYERS. I would agree.

We do not properly equip the Reserve components, which are Reserve units of the National Guard. When I was a Commander, I sent two or three guys every summer to cannibalize as much as we could to keep our equipment so they would pass readiness. It is better today, but not as good as it should be. The conclusion here, option two, you say "if the Congress chooses to hold down overall military manpower costs during the next seven years, slowing the growth in Reserve forces would be one way to accomplish this objective."

I would think the opposite; it is cheaper to keep Reservists at home rather than on active duty, whether it is domestic or overseas. Your opinion here, your option here, you are going the opposite direction, and we are faced with that today. Yet I think it is misleading. A person who doesn't know anything about military thinking, would believe it is better put all the money towards active duty.

When I was in high school, World War II broke out, we weren't prepared, we didn't have a strong Reserve component and didn't have the equipment either. We have placed equipment all over the world. I am not sure that is advisable. I think it would be wiser to put it back in Reserve units instead of storing it some place.

Mr. PENNER. That is right. We have done some work on the POMCUS program.

Mr. MYERS. Here again, that is an opinion we always have. Some of the reports that I see, I wonder who in the world made these reports? This is just one example of something I do know something about in real life.

Mr. FAZIO. Mr. Myers, would you yield?

Mr. MYERS. Sure.

Mr. FAZIO. Can you tell us why this report was not prepared by GAO, for example? What was the point of decision as to who would do this kind of study? That is to say I know enough about it to critique it, but it seems to me that GAO might be a more logical place for a study such as this. I am not sure John would have liked it any more over there. That kind of decision had to be made at some point.

Mr. PENNER. There is a fine line. That is why we go to so much effort to try to control duplication in other ways. But we do try to have a line between budgetary and what we might call management or the more micro level kind of analysis. Given that GAO has maybe 20 times as many people as we do, they tend to specialize more in those areas where you need to put people out in the field.

Mr. MYERS. It just happens we do have one issued by GAO between June of 1985 and one that came out after yours. The report of June of 1985 was probably in implementing the Army Reserve component's full time program. I haven't read this one. The other GAO report came out in December of 1985, right down your line, Reserve components alternatives for equipping the Army Reserve components. Here again, duplication. That is the thing that has concerned me all along.

To me, it is misleading to say this is a cheaper way. This is somebody's opinion, but to the reader, they are not going to know the difference unless they have actually experienced it.

Mr. PENNER. You should look at those things very carefully in terms of the nature of the focus. One focuses on equipment, the other on different structures of the——

Mr. MYERS. Yours is both. You talk about equipment in yours.

Mr. PENNER. I believe ours is broader.

POTENTIAL AREAS OF OVERLAP

Mr. FAZIO. Is this discussed in the group that meets periodically to make sure there isn't duplication or overlap as you both approach the same subject matter?

Mr. PENNER. That is the whole purpose, yes.

Mr. FAZIO. This is a case study, which Mr. Myers brings to our attention. You would argue that the group looked at each agency's role and made certain the work that was performed was not duplicative?

Mr. PENNER. I can't testify. As I say, some things slip through the cracks.

Mr. FAZIO. Do you think this is one that did?

Mr. PENNER. I don't know. It doesn't sound like it to me, to be frank. But that doesn't mean we don't do similar things. For example, OTA and CBO did something very similar on airports. That was about two years ago. But they incorporated part of our work into their study. And the two agencies emphasized different aspects of the subsidies to airports.

In such cases, things may appear to be very close, but we try to cooperate. I say, we trade information and focus on those things that are of most interest to us.

Mr. MYERS. When we are faced this year, next year and the year after that with holding down spending, which we are now obligated by law to do. I don't see how we can afford to have any suspicion they are similar. We simply cannot have duplication. We can't afford that luxury any longer. We must eliminate it.

I don't know any other way to cut back if we have duplication like this. We are going to be cutting programs; programs for needy people; education programs; responsibilies to our constituents, but we can't afford it. Yet can we afford the duplication or inference here that we have duplication? I think not.

FUNDING LEVEL FOR FY 1987

Mr. **FAZIO**. Mr. Porter, do you have any questions?

Mr. **PORTER**. Yes. Dr. Penner, first, I want you to know that I think you do wonderful work. I appreciate the efficiences of your office and the intellectual way in which you approach your responsibilities.

I am concerned, though, by your requested budget increase. I do understand that CBO's responsibilities have increased greatly as a result of the new balanced budget law. There is a prevalent desire in Congress this year, as last, to hold the line on government spending across-the-board. It is therefore very difficult for the legislative branch subcommittee to go before the entire House of Representatives, in these austere times, and insist on a large funding increase for our immediate legislative functions and for our support agencies such as CBO.

So, I wonder how this subcommittee can justify a 18 percent increase for CBO, even with the additional responsibilities thrust upon you. Can you tell me how we might justify such a large increase and can you also remind me of your efforts to hold costs down?

Mr. **PENNER**. As you know, sir, we were cut even below your suggestion last year. We had less than a nominal freeze; we had a cut in the nominal number of dollars. That meant we couldn't fund the full staff. The added responsibilities under the Budget Act are just enormous. It is a whole new activity for us, which fundamentally changes the nature of our institution. While not in the law, we have in fact been changed from an institution that gives technical advice to the Congress to one that really does have de facto operating responsibilities. For example, consider our estimates and our investigation of things, like spendout rates, and well over 1,000 accounts of the budget, and even down to what we call the PPA level—programs, projects and activities, 3,999 of those in Defense.

Our estimates of all those things determine what might happen as a result of an automatic sequestration. It is an enormous responsibility. The rise in staff of about 5 percent, I think, is less than the addition to our workload.

We have adjusted by working extraordinarily hard. We do have more computer costs and of course, we would like more equipment. I want to add that I think we have increased our productivity with the use of microcomputers. That has certainly been one of the best investments we have ever made. So we think we are looking at our budget in a very conservative way.

In addition to the duties that involve the sequestration, we have added a responsibility. As I have discussed before we now have the responsibility to monitor the economy and to advise the Congress if we foresee a recession. That responsibility is given to us squarely by the new legislation, and we look at it with some trepidation, because it is an onerous responsibility, indeed. It is, in essence, up to us to take the first step that might involve cutting off a sequestration at some point.

FALLBACK PROCEDURE

Mr. PORTER. If the three-judge panel's recent decision on Gramm-Rudman is upheld by the Supreme Court, would that affect your responsibilities in any way?

Mr. PENNER. Presuming the Congress went with the law as it stands right now, we would go into what is called the fallback procedure, and that in no way affects either the duties of OMB or CBO. The only difference is that instead of reporting to the GAO, we would report to a specially constituted Joint Budget Committee of the Congress.

CBO PERSONNEL COSTS

Mr. PORTER. What are you doing with salaries in this budget? Are you making up for lost ground in fiscal year 1986, or are you holding the line? What did you do with salaries last year?

Mr. PENNER. We, of course, had no COLA, but we did get merit increases. Essentially, I felt the need to approach such increases as though it were an ordinary year.

Mr. PORTER. What was the overall average increase?

Mr. PENNER. I think the average increase we are asking for this year is 2.3 percent for merit.

Mr. PORTER. What was it last year?

Mr. GREIGG. The figure was 2.4 percent.

Mr. PORTER. What was it the year before, the overall increase, including COLAs?

Mr. GREIGG. The same. It was 2.4 percent.

Mr. PORTER. Including COLAs?

Mr. PENNER. I believe the COLAs were 3.5 percent at that point.

Mr. PORTER. You have dropped the COLAs and your merit increases are running about the same as they were before?

Mr. PENNER. That is right.

In other words, we didn't attempt to make up for the lack of a COLA in our decision about merit increases.

MORE REQUIREMENTS

Mr. PORTER. Is there any way we can cut back on your other responsibilities, in recognition of the new responsibilities you have under Gramm-Rudman, and thereby keep your budget at the fiscal year 1986 level?

Mr. PENNER. I think it would probably require some sort of change in the law. Our responsibilities are precisely defined by the law with regard to the sorts of reports that we produce on a regular schedule. And, as I noted before, there is a list of people to whom the law tells us to respond in terms of our analytic work.

Mr. PORTER. But sometimes you can't respond as fast as you could if you had sufficient staff to do so, correct?

Mr. PENNER. That is right, yes.

Mr. PORTER. What would you do if we were to leave the figure at last year's level? How would you fulfill your responsibilities? Would you want Congress to cut back on our requests or spread them over a longer period of time? Would you look for ways of eliminating duplication, as Congressman Myers said? What would you do?

Mr. PENNER. The requests are fairly even through the year for analytic work. If I remember correctly, about 56 percent of our budget, forgetting the overhead that goes with this, is in three areas: The budget analysis, fiscal analysis and tax analysis. That is absolutely crucial to our regular ongoing duties for the Congress. There is a legal requirement, for example, to have a cost estimate with every bill reported out of committee, and legal requirements for the economic forecast and for the annual reports that we produce. So we have very little flexibility in that area. Our total support, including my office, is about 16 percent. So adding to that, you have about 72 percent, speaking very roughly, of the budget tied up there.

Moreover, we feel that the analytic backup to that activity is really very important. In that analytic backup, we have the opportunity to look at particular program areas very closely, which is absolutely crucial to doing good cost estimates, the main requirement of our law.

Very frankly, then, I don't know what I would do. I would want to look at that question with extraordinary care. I am not even sure at that point we could fulfill our very precise legal obligations. But, as I say, I would have to look at that issuse.

Mr. PORTER. Rumor has it Senator Weicker just cut the salary of his entire staff by 25 percent, which is a little precipitous, one would think.

Senator MATHIAS. Wait until my testimony.

Mr. MYERS. We just lost two employees in the House and Senate this week.

Mr. PORTER. I am cutting my staff. I am losing a position, I am having to find $50,000 of savings somewhere. I realize your responsibilities, however, have been added to rather than taken away from, so there is some justification.

Mrs. BOGGS. May I just add to that, because of the cuts in the social service areas, our caseload in our home district offices has been impacted upon severely, and this is going to be more true as time goes on, and yet we are confronted with the same difficulty as you are. We have to cut our staff members who take care of those caseloads at the same time the caseloads are being increased dramatically. So we understand the feeling, but we are all in this Gramm-Rudman mess together.

Mr. PORTER. Dr. Penner isn't quite in it as much as I want him to be.

Mr. FAZIO. I am sure he is in it more than he wants to be.

Mr. PORTER. We are all in it more than we want to be. Thank you very much.

Mr. FAZIO. Mrs. Boggs, do you have any questions?

Mrs. BOGGS. No.

Mr. MYERS. I have one question. Speaking about merit increases, and we are all for those, but do you at any time during the year increase employees for a month or two and bring them back down, in effect awarding a bonus?

Mr. PENNER. No, sir. Do you mean the same employees who are there?

Mr. **Myers**. Yes, increase them one month maybe and bring them back down.

Mr. **Penner**. We have never done that.

CLOSING COMMENTS

Mr. **Fazio**. Thank you very much, Mr. Penner. We appreciate the testimony you and your staff have provided. You can judge by the questions we are going to have a rough year putting together our budget.

Mr. **Penner**. In all sorts of ways.

Mr. **Fazio**. Lay off the Reserves for a while, and if there is any message that comes out of this, look for areas of duplication.

Mr. **Myers**. I am out of it. McNamara kicked me out several years ago.

Mr. **Fazio**. I appreciate your line of inquiry. We will now conclude the hearing.

TUESDAY, MARCH 4, 1986.

JOINT COMMITTEE ON PRINTING

WITNESSES

THE HONORABLE CHARLES McC. MATHIAS, JR., CHAIRMAN

THE HONORABLE FRANK ANNUNZIO, VICE CHAIRMAN

THOMAS J. KLEIS, STAFF DIRECTOR

RICHARD OLESZEWSKI, DEPUTY STAFF DIRECTOR AND ASSOCIATE GENERAL COUNSEL

ANTHONY J. ZAGAMI, GENERAL COUNSEL

Mr. FAZIO. We will now take up the Joint Committee on Printing. The fiscal year 1987 request is for $930,000, an increase of $51,000 or 5.5 percent over the Gramm-Rudman reduced $879,000 available for fiscal year 1986. Subsequent to the budget submission, we note the Joint Committee has reduced this request to $919,000. No additional positions are requested. We want to welcome Senator Mac Mathias, Chairman, and our House colleagues. It is good to see you. Also, we have Mr. Thomas J. Kleis, the Committee staff director. Welcome.

I apologize, but I have to leave to attend a Budget Task Force meeting. I will leave the gavel with Mrs. Boggs.

I apologize, particularly to Senator Mathias, because I would like to hear your testimony. I appreciate the fact you not only are with us today, but also for excellent work you have performed over the years.

Senator MATHIAS. Thank you very much, Mr. Chairman.

I approach the committee with mixed feelings today, because it is the last time I will be coming to present a budget.

Mrs. BOGGS [presiding]. I must say, I am sorely disappointed this is the last time you will be appearing before the committee.

Senator MATHIAS. Thank you very much.

Mrs. BOGGS. You may proceed with your testimony.

Senator MATHIAS. First of all, the Vice Chairman, Mr. Annunzio, has been detained. I would ask unanimous consent that his statement be included as part of the record.

Mrs. BOGGS. Without objection.

[The statement of Hon. Frank Annunzio follows:]

STATEMENT OF VICE CHAIRMAN ANNUNZIO (JCP) BEFORE THE HOUSE SUBCOMMITTEE ON LEGISLATIVE BRANCH APPROPRIATIONS -- MARCH 4, 1986

Mr. Chairman and Members of the Committee, I am pleased to join my Chairman, the distinguished Senator from Maryland, in presenting the budget request of the Joint Committee on Printing for Fiscal Year 1987. As you know from our earlier detailed submission, our request is for $919,000, precisely the same amount that was appropriated for the Committee in Fiscal Year 1986. The Chairman and I have conferred on the amount requested, and we are in agreement.

This request is the latest in a history of spare budgets for the Joint Committee. In Fiscal Year 1982, the Joint Committee was appropriated $816,000. When adjusted for inflation, that figure represents over $984,000 in today's dollars. However, the Committee has requested only $919,000 for FY 1987. Despite the reduction in spending power over these years, the Committee has found it possible to exercise its oversight responsibilities diligently and effectively. The listings of savings and cost avoidances that are attributable directly to Committee actions, are ample substantiation of this fact. I urge you to support the Joint Committee's request so that we can continue to generate savings and efficiencies on behalf of the American taxpayer.

In closing, I would like to note for the record the substantial contributions made to the Committee by Chairman Mathias. As you all know, the gentleman will be leaving the Joint Committee and the Congress at the end of this session. Though my personal association with him on the Joint Committee is of relatively short duration, from my experience the Senator has shown only the highest levels of professionalism and dedication in service to the Committee, without a hint of partisanship. His every action has been governed by a concern for economy and efficiency in the printing and publishing activities of the Federal Government. I wish to express my personal thanks for his openness, cooperation and assistance in our joint stewardship of the Committee. I know that other Members will join me in wishing him well in his next career, whatever that may be.

CHAIRMAN'S SUPPORT OF JCP BUDGET REQUEST

Senator **Mathias**. For my own part, I would simply note that the Joint Committee's request is for an amount equal to last year, even though in real dollars that sum of money has declined by 6.5 percent since the JCP's 1982 appropriation.

We have been able to do that by sacrificing a position. The position of Publications Distribution Specialist, which was granted by the committee in 1984, has since been deleted from the budget. We have sacrificed that, and we are prepared to make whatever sacrifices are necessary to meet the mandate of the Gramm-Rudman-Hollings Deficit Reduction Act.

I can, if you like, detail some of the steps that are going to be taken under that proposal, because there will be serious cutbacks in the availability of publications. Assuming that people read Congressional publications, which may be too broad an assumption, some of the people who do are going to find that things they are used to may not be available in the future. The Public Printer has made a suggestion of a number of steps that he can take to save the necessary monies required by Gramm-Rudman-Hollings; and they are going to make a difference in Congressional life.

I can detail those with as much specificity as you like, but in the meantime, I would encourage the committee to review the Joint Committee's budgetary submission of February 4, which describes in detail most of its activities the past year. I think that will indicate that we have had a very rigorous campaign to reduce the cost of printing, binding and distribution while carrying out the work of providing information about the government to the American people. We have worked closely with the Committee on Appropriations and with GPO to reduce the cost of distribution on Capitol Hill while at the same time affording careful consideration to the needs of the members and the committees.

Like our colleagues on other committees of the Congress, members of JCP have been looking very long and very hard for savings that can be realized without choking the government's ability to make vital information available both within government and to the citizens. It is at a time like this when we have to think a little bit about the lessons of American history. In 1822, President Madison wrote to a Mr. W.T. Berry warning that "a popular government without popular information or the means of acquiring it is but a prologue to a farce or tragedy, or perhaps both. Knowledge will forever govern ignorance, and a people who mean to be their own governors must arm themselves with the power which knowledge gives."

So it is in keeping with this spirit of President Madison's experience and wisdom that the Joint Committee on Printing continues to make every effort to promote the free flow of information, while at the same time looking for any waste that can be eliminated. We are balancing what we must do with what we want to do to produce an efficient and economic operation. We will commit that judgment to the discretion of this committee.

[The statement of Hon. Charles McC. Mathias, Jr. follows:]

STATEMENT BY CHAIRMAN MATHIAS (JCP) BEFORE SUBCOMMITTEE ON LEGISLATIVE BRANCH APPROPRIATIONS -- MARCH 4, 1986

Mr. Chairman, and distinguished Members of the Committee, it is with a sense of sadness that I am before you today with Vice Chairman Annunzio to present the Joint Committee on Printing's FY 1987 budget request. As you know, my service in the United States Congress will come to a close at the end of this session. But, although the budget I submit today will be administered by a new JCP Chairman and Vice Chairman, I have reviewed it carefully to insure that the Joint Committee continues to play its role in the battle to trim the mounting Federal deficit.

As you can see, the Joint Committee is seeking no increase in FY 1987, even though its budget, in real dollars, has declined by some 6½% since the adoption of its 1982 appropriation. We have given up the badly-needed new position of Publications Distribution Specialist, which was granted by your Committee and the Congress in 1984, later to be deleted from the 1986 budget. Furthermore, the JCP is prepared to make whatever sacrifices are deemed necessary to meet the mandate of the Gramm-Rudman-Hollings Deficit Reduction Act.

I will not go into detail at today's hearing about the accomplishments of the Joint Committee since our appearance here a year ago. However, I would encourage my colleagues on the Appropriations Committee to review our submission of February 4th, which describes in detail most of our activities during the past year. When you do, I am sure you will agree that we have not taken our task lightly but instead have mounted a rigorous campaign to reduce the cost of printing, binding, and distributing the government's information. We are working closely with the Committee on Appropriations and the Government Printing Office to reduce the cost of publication distribution to the Hill, while at the same time, affording careful consideration to the minimum needs of Members and Committees to conduct their business in an informed and effective manner. Like our colleagues on other Congressional Committees, the Members of the JCP are searching long and hard for savings that can be realized without choking the government's ability to make vital information available to itself and its citizens.

Mr. Chairman, in closing today, I am reminded of a quote by our 5th President.

IN A LETTER TO W.T. BARRY, WRITTEN IN 1822, JAMES MADISON, THE FATHER OF OUR CONSTITUTION, WARNED THAT:

> A POPULAR GOVERNMENT WITHOUT POPULAR INFORMATION, OR THE MEANS OF ACQUIRING IT, IS BUT A PROLOGUE TO A FARCE OR A TRAGEDY, OR PERHAPS BOTH. KNOWLEDGE WILL FOREVER GOVERN IGNORANCE: AND A PEOPLE WHO MEAN TO BE THEIR OWN GOVERNORS MUST ARM THEMSELVES WITH THE POWER WHICH KNOWLEDGE GIVES.

In keeping with the spirit of President Madison's warning, the Joint Committee on Printing continues to make every effort to preserve the free flow of information. At the same time we are carefully ferreting out any wasteful squandering of taxpayer dollars. That concludes my remarks before the Committee today and upon the completion of a statement by my friend and colleague, Vice Chairman Annunzio, I shall be happy to respond to any questions that the Chairman or Members of the Committee might have.

VALUE OF HISTORICAL RECORDS

Mrs. **Boggs**. Thank you Senator. We also have with us Mr. Thomas J. Kleis, who is the committee Staff Director. Do you have a statement you would like to make?

Mr. **Kleis**. No, thank you. I think Senator Mathias covered it well.

Mrs. **Boggs**. Does anyone representing the Vice Chairman have a statement to make?

Senator **Mathias**. His statement has been submitted for the record.

Mrs. **Boggs**. Yes.

Senator, if President Madison hadn't taken notes and kept a diary during the debates when the Founders were framing of the Constitution, we would have no record at all of those proceedings because they were all closed meetings. He had a very specific interest in having government records precisely kept.

You have general oversight responsibilities over government printing activities. I know the Joint Committee has initiated several projects that have resulted in improvement and savings. Do you want to highlight some of those projects for us?

SAVINGS RESULTING FROM JCP OVERSIGHT

Senator **Mathias**. Well, one of the examples I might give you, Madam Chairman, is by utilizing modern technology. Printing has become an extremely expensive operation today, so we are studying the use of electronic dissemination techniques for depository libraries. We are considering new technologies of that kind throughout the government. We also have eliminated the cataloguing contract, which means the contractor's support for the cataloguing of government publications. It won't save a vast amount of money, but it will save perhaps $150,000. We worked through administrative overhead costs as a source of savings. Wherever we can save a few thousand dollars, we have urged the GPO to do it. Altogether, we have had savings of approximately $1 million just in those few items.

Now, we must look forward to some reductions in activities, required by Gramm-Rudman-Hollings, which I think will be noticed by Members of Congress and perhaps objected to by some. The object will be to save about $4.5 million, and they will involve reducing the numbers of copies of the Congressional Record, reducing the overtime of GPO detailed printers to Congress, and reducing the numbers of many other congressional documents.

One of the things I found when I became Chairman of the Joint Committee on Printing was closets and store rooms full of old committee reports that had been printed in excess of demand and in excess of any possible use. We literally had to clear out tons of paper. We are simply trying to reduce those kinds of mistakes of the past and to save money by not over-producing.

ELIMINATON OF EXCESS PRINTING

Mr. **Lewis**. If the chairwoman would yield, we were in a brief meeting with the Speaker this morning, and he mentioned the fact he and his wife visited the Capitol yesterday afternoon. On the way in, they watched three huge truckloads, equipped with huge bins containing printed government documents, that had never been opened, off to be dumped. That points to the reality that we have an ongoing problem.

Senator MATHIAS. That has been a real problem in the past. You will find that under the reduced budget procedures we are now faced with, that will be less of a problem in the future. We may even have situations where people say "Why can't I get a copy?" I hope that doesn't become a serious problem, or we will violate President Madison's advice. But that is more likely to be the case than wasteful surpluses of the past. I would like to insert in the record a letter from the Vice-Chairman and myself discribing some of the cutbacks Gramm-Rudman-Hollings has made necessary.

[The letter follows:]

CHARLES McC. MATHIAS, JR., SENATOR FROM MARYLAND
CHAIRMAN
MARK O. HATFIELD, SENATOR FROM OREGON
TED STEVENS, SENATOR FROM ALASKA
WENDELL H. FORD, SENATOR FROM KENTUCKY
DENNIS DeCONCINI, SENATOR FROM ARIZONA

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FAYE M. PADGETT, ASSISTANT STAFF DIRECTOR

Congress of the United States
Joint Committee on Printing

FRANK ANNUNZIO, REPRESENTATIVE FROM ILLINOIS
VICE CHAIRMAN
JOSEPH M. GAYDOS, REPRESENTATIVE FROM PENNSYLVANIA
ED JONES, REPRESENTATIVE FROM TENNESSEE
ROBERT E. BADHAM, REPRESENTATIVE FROM CALIFORNIA
PAT ROBERTS, REPRESENTATIVE FROM KANSAS

818 HART SENATE OFFICE BLDG.
WASHINGTON, DC 20510
PHONE 224-5241

March 14, 1986

Dear Colleague:

The sequestrations mandated by the Gramm-Rudman-Hollings Act (P.L. 99-177) for FY 1986, will have a substantial effect on the printing and distribution of Congressional publications. The Congressional Printing and Binding line item of the Legislative Branch Appropriations will suffer the same 4.3% cutback in funding as other areas of government. I regret to advise Members that these cutbacks will necessitate sizable reductions in the numbers of printed copies of the Congressional Record, committee prints, hearings, and other types of Congressional publications. The Joint Committee on Printing intends to protect and preserve the tools necessary for the proper functioning of the legislative process and has attempted to make these reductions as painless as possible.

Although the details of implementation of many of the necessary reductions have not been finalized, the following list of actions should be expected in the near future:

-- The delivery of copies of the Congressional Record to Members' residences, either by GPO messenger or by mail, will be eliminated.

-- The number of Soil Surveys, prepared by the Department of Agriculture for distribution to Members, will be cut in half.

-- House Business Calendars will be reformatted. Full information will be printed once each week, with only updates printed daily.

-- The numbers of copies of both House and Senate Business Calendars will be reduced by approximately one-third.

-- The numbers of documents, bills and reports available from the House and Senate Document Rooms for Congressional distribution will be substantially reduced. The general premise will be that such copies will be available only to Members and staff of Congress. The public will be referred to the GPO bookstores to purchase desired items.

-- Authorization for overtime work for GPO employees detailed to work with Congressional committees will be drastically reduced, and possibly eliminated.

-- The format of committee reports will be standardized to eliminate non-essential introductory matter.

-- Legislative Calendars produced by committees will be standardized and printed only once, at the end of each session of Congress, rather than quarterly or bi-annually as is now the case.

-- The number of copies of the daily Congressional Record delivered to committees will be drastically reduced.

-- The numbers of copies of committee hearings and committee prints will be cut by at least one-half. Again, copies delivered to committees should be only for the use of Members and staff of Congress. The general public should be referred to GPO to purchase copies.

-- The process by which committees may order additional copies of hearings and committee prints through the Joint Committee on Printing will be changed. All such requests must be made and justified, in writing, by the requesting Chairman.

Members should note that these changes are necessary to meet specific dollar figures mandated by Gramm-Rudman-Hollings just for Fiscal Year 1986. Further, more substantial cuts may be anticipated for Fiscal Year 1987, beginning in October. All Members can help ease these cuts if efforts are made to reduce costs in other ways. For example, the costs of preparing and printing each page of the Congressional Record are substantial. Withholding extraneous, non-legislative matter from the Record could save a great deal of money. As a further example, committee chairmen could instruct staff to be more conservative on the formatting, types and amounts of materials included in committee hearings. The Committee will shortly convene a briefing for staff to further expand upon this matter.

In addition to the above-mentioned changes, the committee will continue to work towards identifying efficiencies that will achieve additional savings and cost avoidances. We will seek ways in which technology can be applied to the printing process, both at GPO and in Congressional offices, to expedite publishing while reducing costs. We will welcome any suggestions that you may have toward these ends.

Sincerely,

Frank Annunzio

Charles McC. Mathias, Jr.

Frank Annunzio
Vice Chairman

Charles McC. Mathias, Jr.
Chairman

CLOSING EXECUTIVE BRANCH PRINTING/DUPLICATING FACILITIES

Mrs. Boggs. Mr. Chairman, the new Public Printer has proposed that if the 850 or so printing and duplicating plants throughout the government were closed, GPO could handle the workload centrally through their own procurement authority and in their printing plant. Does that proposal make sense to you?

Senator Mathias. This has been an ongoing matter of interest to us. In fact, it gets to be kind of a fight with the various Executive Branch offices, because each one of them wants to have its own publishing house.

There are situations where it makes sense for an Executive Branch to have its own printing plant but often a proliferation of presses means that there is duplication and lack of control. At the present time, there are 1,025 plants. I think 242 of that 1,025 are printing plants that actually do printing. The remainder are duplicating centers.

The question is, can the GPO take over 1,025 duplicating and printing plants? The Joint Committee thinks that GPO would have difficulty in handling all that work in-house with its current resources. It would be a total of $350 million in additional work. A letter relating to this subject is inserted for the record.

[The letter follows:]

AUGUSTUS F. HAWKINS, Representative from Calif.,
Chairman
JOSEPH M. GAYDOS, Representative from Pa.
ED JONES, Representative from Tenn.
BARBARA F. VUCANOVICH, Representative from Nev.
PAT ROBERTS, Representative from Kans.

THOMAS J. KLEIS, Staff Director
ANTHONY J. ZAGAMI, General Counsel
RICHARD OLESZEWSKI, Deputy Staff Director
FAYE M. PADGETT, Assistant Staff Director

Congreſs of the United States
Joint Committee on Printing

CHARLES McC. MATHIAS, JR., Senator from Md.,
Vice Chairman
MARK O. HATFIELD, Senator from Oreg.
HOWARD H. BAKER, JR., Senator from Tenn.
WENDELL H. FORD, Senator from Ky.
CLAIBORNE PELL, Senator from R.I.

S-151 U.S. Capitol
Washington, D.C. 20510
Phone: 224-5241

September 19, 1983

TO: HEADS OF ALL FEDERAL DEPARTMENTS AND AGENCIES

Earlier this year, the Office of Management and Budget (OMB) asked Executive Branch Departments to complete questionnaires detailing cost and production volumes in each of their Joint Committee on Printing (JCP) authorized printing plants or duplicating centers.

OMB's recommendations, which you have received or will soon receive, propose substantial reductions of in-house printing and duplicating facilities---in some cases calling for the complete elimination of an in-house capability. The recommendations for plant closings cite potential departmental savings if printing needs are procured through the Government Printing Office (GPO).

The Joint Committee on Printing totally supports the principle embodied in Title 44 USC that the Government's printing should be accomplished by the GPO. In fact, the JCP agreed to work cooperatively with OMB in this study in an effort to streamline the Federal Printing Program and to increase printing procurement through the Government Printing Office. However, long experience in overseeing the Federal Printing Program by means of intensive staff inspections, detailed reporting, and equipment authorizations, has made the Committee cognizant of special mission requirements in many Departments that often call for a limited in-house printing capability for the sort of work that is neither readily procurable nor suited to the in-plant capability of GPO. In recent years, the JCP has requested Departments to phase down or to consolidate their in-house printing operations as the GPO increases its ability to perform the needed services. That is still our request.

Currently, a Task Force on Regional Printing Procurement, chaired by the Committee's Staff Director and composed of representatives from Executive Departments, JCP staff, GPO staff, and the private printing industry, is examining the ability of the Government Printing Office to handle the increased procurement workload expected in the next few years as the effects of departmental phase-downs and consolidations become markedly evident. When the Joint Committee created the Federal Printing Procurement Program in 1967, it realized the need for a periodic review of its effectiveness. When the Task Force completes its work by the end of the year, the Committee will direct the implementation of any new policies or procedures deemed necessary for the GPO to provide better and expanded service to its clients in the coming years.

We hope that this clarification of JCP policy will assist you in responding to OMB. We request that you send to the JCP a copy of your response to OMB's recommendations so this Committee can work with you to ensure that your mission requirements can be met in an expeditious and cost-effective manner.

With best regards,

Sincerely,

Hawkins

Augustus F. Hawkins
Chairman

POTENTIAL PROBLEMS DISCUSSED

Senator Mathias. There are some complications connected with procuring all this work. Some of it is classified material, which requires special handling. Some of it would be difficult because of the availability of commercial printers in some areas of the country. In addition, personnel ceilings, particularly with Gramm-Rudman lowering ceilings, would make it difficult for GPO to hire the extra staff to take on this load.

We are, as I say, conscious of this as a source of duplication and expense, and we have, in the last two years alone, successfully encouraged the closing of 58 printing plants, thereby increasing commercial procurement through the GPO by 15%. We are moving forward but I think it would be a lot to digest if GPO tried to pick up the work produced in 1,025 Federal plants at this time.

Mrs. BOGGS. Does OMB agree with Mr. Kennickell?

Senator MATHIAS. I have not seen it.

Mr. KLEIS. OMB, two years ago conducted a study of agency printing plants. Their assessment was that something on the order of 90 percent of all the printing and duplication facilities could and should be closed; however, OMB took this proposal to the agencies directly and asked for their compliance. Each agency found a thousand reasons why their printing plants were particularly important to them; and, as a result, not much has happened.

As Senator Mathias said, over the past few years, the Joint Committee has, by doing a thorough analysis of the plants, literally forced them to consider closing, consolidation or downgrading, as we call it, to duplicating status.

CONSOLIDATION EFFORTS

Mrs. BOGGS. Is there anything that your committee or Congress can do to help bring about more consolidation?

Senator MATHIAS. Well, I think we must continue to analyze the work being done in Federal plants, and to assess its cost to the taxpayers. In general, jobs produced in government plants costs twice that of job produced by commercial printers. The Joint Committee will continue to point out to Executive Branch agencies the opportunities for cost savings by closing their plants consolidating them, or downgrading them. We have also shared this information with the Appropriation Committees.

We may possibly need to do more cost-cutting. If the Gramm-Rudman boom is lowered on the first of October, we will have to do more.

EFFECTS OF AUTOMATION ON CONGRESS

Mrs. BOGGS. As you have said, GPO and probably all printers are trying to force more of their customers to do more copy preparation work to ease their workload. In Congress that means more staff resources and equipment spent on printing chores, and with our limitations on space, funds and staff, I am not sure the trend is helpful to the House and Senate.

We need a Congressional printing office, that is the reason for GPO being established in the first place. What do you think about that?

Senator MATHIAS. This is one of the old "Rob Peter to pay Paul" questions, and I notice that happening around the government, not just with printing problems. The Executive Branch reaction on Gramm-Rudman in many cases is simply to say we won't pay for a service we have traditionally paid for, the Congress will have to buy it itself, which helps their agency budget, but doesn't help the taxpayer in the long run. It is simply just shifting the expense.

In this case, we have to look at the substance of the work that is being transferred. That is the answer.

I would like Tom Kleis to add his comments.

Mr. KLEIS. Well, we have been assisting the GPO in becoming automated over the past few years, which necessarily involves taking keystrokes from the originator of a manuscript and transferring them electronically to the Government Printing Office, for typesetting. We find that nearly every office on the Hill right now does have to produce a manuscript of some kind, which it sends to the Government Printing Office, which is then re-keyed, which is then set in type, at substantial cost and with an additional burden on GPO in light of its shrinking personnel.

If, however, the keystrokes can be captured by the originator, by the secretary who types on a word processor, captured electronically and sent to GPO, no additional keyboarding needs to be done. If this is done properly, with GPO's guidance, then it shouldn't result in more burden on the people on the Hill since the manuscripts are already being prepared anyway.

There is the problem of proofreading, which I think was alluded to in Mr. Kennickell's testimony the other day. GPO is looking at a substantial reduction in the number of proofreaders due to retirement. It is a burden to do proofreading properly, and the conclusion that can be drawn from this is that GPO hire more proofreaders, which may not be the best way to use its resources. Or should we have a complete and accurate manuscript generated here on the Hill with no further keystroking and, therefore, no requirement for proofing.

LONG-RANGE STUDY OF GPO

Mrs. BOGGS. Has your committee done any studies to make sure the Congress is not doing more work in these cases?

Mr. KLEIS. We haven't done any studies as such, although we have a staff member assigned to this project right now to find out what is being done in Congressional offices, in the way of automation, and what extra steps they may be taking that they needn't take. We have found cases where they should rely on GPO, but there has been resistance from offices because they would rather do it themselves to control their own product.

In addition, the OTA, the GAO, and the GPO are currently embarked on a joint long-range study of GPO to determine the nature of the products and services GPO will be required to provide, its customers in five or ten years. The Joint Committee commissioned this study to ensure that the new technologies were going to be properly employed and to assess the impact on GPO resources.

Senator MATHIAS. Another example, Madam Chairwoman, of something that needs to be analyzed is that GPO provides 25,000 hours of employee overtime for detail work for the Congress. That is worth about three-quarters of a million dollars. They would like to cut that out, and, while that would save GPO $750,000, a study has to be made on what the impact will be on Congress.

Mrs. BOGGS. For example, we have a group on the Clerk's payroll who essentially perform copy preparation chores, and then they get GPO to print the House Journal and other publications. Those are House resources being spent to do what GPO had done for years, and we would like to see that investigated by your staff as well. Could someone look into that?

Senator MATHIAS. Yes, we would be happy to do it. There is an ebb and flow in this kind of thing. It is my understanding the Clerk wanted total control of his own publication. The Joint Committee felt that from a technical point of view, GPO had the capacity to do it as well as the Clerk's Office, but this is a kind of common situation that you run into on the Hill, where you get a jurisdictional or territorial dispute.

The personnel ceiling at GPO is a practical obstacle to having GPO take over everything, or even to continue what it has been doing. If you wanted GPO to do everything, you would have to find some way to hire more people down there, and that would be counterproductive on our Gramm-Rudman effort. The only thing you can do, as you have suggested, is to look into each situation and to assess it separately, always bearing in mind the conservation of dwindling resources.

JCP LIAISON TO CONGRESSIONAL OFFICES

Mrs. BOGGS. We see a new staff position being assigned as a liaison between GPO and the committees. What will that person be assigned to do?

Senator MATHIAS. It is not a new JCP position but rather a staff reassignment. That person will be in a position to understand the policy, printing policy, which has been set by JCP, and to translate that policy to meet the needs of each individual Congressional committee, whether in the Senate or the House. As a Congressional employee, he will be an in-house liaison, and we think he can do that job better than somebody coming over from time to time from GPO. It is an experiment that we will try, and we will see if it makes some addition to the efficiency of the whole operation.

Mr. LEWIS. Could I impose, Madam Chairwoman?

Mrs. BOGGS. Sure.

STAFF GROWTH OF JCP

Mr. LEWIS. When I saw the recommendation here, it struck me that when the Joint Committee on Printing was put together, just 140 years ago—I couldn't believe there were problems in communication between the House and the Senate that long ago, but I guess one of the reasons is there is a Grand Canyon that often exists between the two Houses. They have mutual problems and interests in printing agencies.

Let's pull two bodies together and create a mechanism to communicate with each other, then, and hopefully communicate with our printer. Thus, the Joint Committee on Printing was established 50 years later, that led to a staff person for that responsibility, and it would seem to me that liaison was the original purpose for the Joint Committee on Printing. Suddenly, 140 years later, we have a designated spot for an in-house liaison for JCP.

Isn't this a reflection of the reality that we almost tend to grow and reduplicate ourselves. Presently JCP has 17 employees, and the budget is something short of $1 million, and it is designed to help us better communicate with one another and with our printer.

OVERSIGHT ROLE OF JCP

Senator **MATHIAS**. I note, to my sorrow, JCP is more than a liaison operation. It is, in fact, an executive function, an executive function not in a constitutional sense, but in a practical sense. It oversees a $1-billion-a-year business at GPO, and when you get into employee labor disputes and that kind of thing, you know that's what it is. Executive type decisions have to be made. We have to supervise the acquisition of all equipment, services and supplies for GPO, we have to approve all contracts made by GPO; and we have to oversee the administrative detail.

In the course of all that, we also get involved in discussions with individual committees about their particular needs—why the Finance Committee or Ways and Means Committee have special needs no other committees have, or why the Agricultural Committee has special problems. It was to fill this perceived need that we added this additional slot. If it isn't effective, I can promise you it won't last. We are going to be under such pressure that only the most essential slots will survive.

125TH ANNIVERSARY OF GPO

Mrs. **BOGGS**. Today the Government Printing Office is celebrating 125 years of existence, so it took the Joint Committee only 15 years to set it up.

Senator **MATHIAS**. The Chairman of the Joint Committee used to use that little hand press Benjamin Franklin left in the basement.

Mr. **MYERS**. Still got it?

BIOGRAPHICAL DIRECTORY OF THE CONGRESS

Mrs. **BOGGS**. Speaking of Benjamin Franklin and James Madison, how is the Biographical Directory coming for the Bicentennial year?

Senator **MATHIAS**. Let me confess that it is a luxury that perhaps we should have foregone; but it did seem to me, when we approached the opening of the 100th Congress or the end of the 99th Congress, that a significant milestone would be reached in Congressional history. This could be the point when we pause and undertake the expense of a biographical directory.

Already, we have begun to develop the data base from the last published directory. It will be edited, and it will be updated electronically. The JCP files, maintained since 1971, have also been turned over to historians. The JCP will do the production planning, and we will see to it that the two Houses coordinate their efforts to produce a cost effective product. It is one that, notwithstanding this time of budget stringency is justified by the occasion. We won't pass this way for another 100 years.

Mr. MYERS. You are not even going to be here then.

Mrs. BOGGS. You say it is not going to cost very much. Do you have a projection of perhaps when the funds will be requested?

Senator MATHIAS. We have already received an authorization for the biographical directory. I can say that the delivery date will probably be in 1989, which will be at the end of the 100th Congress, so it will not come at the beginning; it will be at the end, January of 1989.

Mrs. BOGGS. What committee staff is assigned to the work, what do they specifically do, and how does the Joint Committee staff and the House and Senate Historians share the work?

Senator MATHIAS. I will ask Mr. Kleis to respond to that question.

Mr. KLEIS. Madam Chairwoman, we have essentially one JCP staff member assigned to this, Duane Nystrom, who is designated as an editor on the staff. He will be working very closely with the House and Senate historians to facilitate the process of production and printing. As Senator Mathias said, the data is going to be edited by the historians themselves, but we are going to hold production conferences to make sure the two Houses get together. The Joint Committee on Printing staff is going to prepare the front part to the directory, which is about three percent of the total work.

I am not sure if I have answered all of your question, but I believe so.

IDENTIFICATION OF SPOUSES IN DIRECTORY

Mr. MYERS. Madam Chairwoman, would you yield on that?

We were talking about the content, and spouses had been left out in the previous years' editions.

Mr. MYERS. As a former member, your spouse will be included, Mrs. Boggs, but Mac, your spouse will not.

Senator MATHIAS. I am glad you raised it. If that was the case, it will no longer be the case.

Mr. MYERS. If you will, my wife was asking about a former member that served with us years ago, and I couldn't think of his wife's name. I said, "Let's go to the directory", and I looked at the big bound directory and it isn't in there.

Senator MATHIAS. With the indulgence of this committee, the Staff Director is now instructed to look into this. There may be a historical problem in going back 100 years or a full 200 years in identifying all spouses; but, to the extent possible certainly current spouses should be in the book, in keeping with the spirit of our times.

Mrs. Boggs. I would assume the spouses' names would not be too difficult to research from certainly since 1941, when I first had an acquaintance with the Congressional Directory.

Mr. Myers. Do you remember all of them?

Mrs. Boggs. Not in Congress, but I know the spouses' names have been included since that time.

Mr. Myers. Not in the green bound edition.

Mrs. Boggs. They could be picked up from the Congressional Directories. If you want to give the historians a real heart attack, let's consider including children, too?

Senator Mathias. An excellent point for which we are indebted to you.

Mr. Myers. Don't give me any disclaimer on this. I will get in trouble on that, too.

Mr. Kleis. I was going to add, it is our understanding that the House and Senate historians are each doing something a little bit different.

To answer your question, The Committee's editor Duane Nystrom is here. Maybe you can tell us what the historians are doing.

Mr. Nystrom. As far as the family members, the only family members who have been identified are family members who have been former Members of Congress. It would be difficult to put together a universal data base at this point on spouses to introduce into the biographies; there are approximately over 12,000 biographies in the directory, and that would involve a good deal of research.

Mr. Boggs. Since the First Congress there have been 1,767 Senators and approximately 10,000 House members.

Senator Mathias. As Madam Chairwoman has pointed out, there are printed annual directories.

Mr. Nystrom. The Congressional Directory goes back to 1921.

Senator Mathias. We should include spouses to the extent the records are readily available.

Mr. Nystrom. One other point would be that the historians are the ones compiling the information. We would have to pass the request along to them.

Senator Mathias. Would you pass that along to them and let me know what their response is?

Mr. Nystrom. Yes.

Mrs. Boggs. The Senate, as you remember, set up its Bicentennial Commission several years ago. It took as one of its tasks for the celebration of the bicentennial of the Congress in 1989 the reprinting of the Biographical Directory. The Senate Historian has been working on it ever since.

In addition, I have the pleasure of chairing the House Bicentennial Commission. The printing of the directory is a priority of our historian, Dr. Smock. I think they have done a remarkable job in preparing to carry out the mandate both bodies have given to them. I am certain the historians will be agreeable to adding this information if you request it.

Senator Mathias. I would hope so. I know it would be useful. I have occasion to consult the old directory to look up some point, and it is a very useful volume for anybody who works with government.

THE CONGRESSIONAL DIRECTORY

Mr. Myers. While you are on that, the biannual directory would be paper bound again next time, is that correct?

Mr. Kleis. Yes.

Mr. Myers. I presume they will have one, but there will be no hard-bound copies?

Mr. Kleis. There are some hard-bound copies available through the Superintendent of Documents. Are you asking about the Congressional Directory, which is published once every Congress? Correct.

Mr. Myers. You used to print two. I thought all are paper bound.

Mr. Kleis. Distribution on the Hill is soft-bound, but there are some hard copies through the Superintendent of Documents for sale to the public.

Mr. Myers. Do we recover the costs of those?

Mr. Kleis. Yes.

Senator Mathias. You can afford them.

Mr. Myers. We didn't. I hope we do recover the costs.

SEQUESTRATION OF JCP APPROPRIATION

Mrs. Boggs. The Joint Committee's share of the Gramm-Rudman sequestration was $40,000. How did you allocate those reductions, and what impact did it have on your workload?

Senator Mathias. We were able to resolve that problem by attrition, Madam Chairwoman. We had an unforeseen retirement and simply didn't fill that position.

Mrs. Boggs. Are there any further questions?

TRIBUTE TO SENATOR MATHIAS

Mr. Myers. No. I just wish the Senator well. You were here in the House, on the good side, when I first came here. You were of great help to me. We will miss you around here.

Senator Mathias. I will miss all of you and miss the Congress. This is a good time to make a change, so that is what we are going to do. But I should just say one more word of warning to you on the Gramm-Rudman question, because the initial cut on GPO is going to require some adjustment. Let me give you an example.

Today soil surveys are printed by the Department of Agriculture, and each Representative gets a thousand copies of the surveys in your districts, Senators get 250 for each survey in the state. There are between 50 and 75 printed usually in an average year. In order to make that first 4.3 percent cut, this is the kind of thing that might be cut in half. So where you are used to getting a thousand, you only get 500. That is not a big sacrifice in most cases, but it is the sort of thing you ought to expect, and I wanted to put you on notice.

Mr. Lewis. Let me echo the sentiments of my colleagues. It has been a pleasure to work with you, and frankly, it would be a delight at some time in the not-too-distant future when you have had a chance to relax and get away from Congress, to hear some of your reactions and comments. If you are up to invitations, we can have an ice cream soda and talk about it.

Senator MATHIAS. Thank you. I will look forward to it. Thank you very much.

GRAMM-RUDMAN ADJUSTMENTS

Mrs. BOGGS. For the record, could you supply a class summary indicating Gramm-Rudman adjustments?

Senator MATHIAS. We would be happy to do that.

[The summary follows:]

In accordance with the provisions of the Balanced Budget and Emergency Deficit Control Act of 1985, Public Law 99-177, the Joint Committee has made reductions in the amount of $40,000.

1986 Appropriation (as enacted)	$919,000
11 Personnel Compensation	(35,000)
12 Personnel Benefits	(5,000)
1986 Revised Appropriation	897,000

SUPPORTING DOCUMENTATION

Senator MATHIAS. Madam Chairwoman, may I submit for the record a detailed listing of some of the savings and cost avoidances and other miscellaneous information which supports our statement?

Mrs. BOGGS. We will be pleased to enter it into the record.

[The listing follows:]

SAVINGS AND COST AVOIDANCES ACHIEVED IN CONGRESSIONAL PRINTING, BINDING AND DISTRIBUTION ACTIVITIES

Actions taken by the JCP and the Congress have resulted in continuing substantial savings or cost avoidances in Legislative Branch expenditures of appropriated funds. A listing of the estimated savings in 1985 and 1986 include the following items:

	Estimate for FY-1985	Estimate for FY-1986
1. Distribution of the Congressional Serial Set to Depository Libraries and by-law recipients in microfiche and hard copy form, instead of hard copy only. The Serial Sets of House and Senate Documents are distributed to 416 libraries in hard copy and to 713 libraries in microfiche form. The distribution of House and Senate Reports is 418 hardcopy and 731 microfiche. In FY 1985 the cost would have been approximately $3.2 million if all libraries had received the hardcopy version.	$1,977,000	$2,322,000
2. Distribution of Congressional Committee hearings and Committee Prints to Depository Libraries in microfiche and hard copy form, instead of hard copy only. Committee hearings and Committee Prints are distributed to 325 libraries in hardcopy and to 550 libraries in microfiche form. Had all libraries received these publications in hardcopy, the cost would have been about $2.4 million in FY 1985.	1,335,000	1,402,000
3. Increased distribution of publications to International Exchange Program Libraries in microfiche. In March 1982, JCP authorized GPO to convert almost 90 percent of all publications for the International Exchange Program to microfiche. However, the cost avoidance is approximately $1.0 million annually by the distribution of microfiche instead of hardcopy.	992,000	1,042,000
4. Transfer of costs for production of microfiche to issuing agencies for International Exchange Program, instead of charging Printing and Binding Appropriation. According to provisions of P.L. 97-276, issuing agencies must pay for the cost of copies of publications (most of which are microfiche) transferred to the International Exchange Program. The Departments and agencies were billed $401,168 for their publications distributed under the International Exchange Program in FY 1985.	401,000	441,000

	Estimate for FY-1985	Estimate for FY-1986
5. Delivery of microfiche of Committee hearings and Committee prints to five Committees in lieu of the Committee binding its paper copies. JCP has authorized Congressional Committees to receive copies of their hearings and Committee prints in microfiche and encouraged use of these sets for archival purposes in lieu of having paper copies bound. Currently, five Committees are receiving hearings and committee prints in microfiche.	$ 18,000	$ 22,000
6. Departments, agencies and offices of the Executive and Judicial Branches directed by JCP to pay from their own appropriations for the *U.S. Code*. FY 1985 savings are calculated on the expectation of a two-volume supplement to the 1982 *U.S. Code*. FY 1986 savings are based on the expectation of a six-volume supplement to the 1982 *U.S. Code*.	72,000	198,000
7. Reductions in congressional distribution of the *U.S. Code*. The JCP, in coordination with the Clerk of the House and Secretary of the Senate, authorized distribution of the *U.S. Code* to Members of Congress only if they specifically requested a set. Many Members elect to receive the *U.S. Code Annotated* instead, which is supplied by the Clerk and Secretary. FY 1985 savings are based on the expectation of a two-volume supplement. FY 1986 savings are based on the expectation of a six-volume supplement to the 1982 *U.S. Code*.	19,000	51,000
8. Departments, agencies and offices of the Executive and Judicial Branches directed by JCP to pay from their own appropriations for *Statutes At Large* and *U.S. Treaties and Other International Agreements*. The *Statutes At Large* and *U.S. Treaties and Other International Agreements* are sometimes printed as two or more volumes. The savings estimates are based on previous billing data.	78,000	82,000

	Estimate for FY-1985	Estimate for Fy-1986
9. Eliminated the printing of the green-bound, biweekly edition of the Congressional Record beginning with the 99th Congress.	$ 250,000	$ 300,000
10. Eliminated the distribution of the bound Congressional Record to House Members in accordance with P.L. 98-51.	278,000	291,000
11. $10 increase in the annual subscription rate for the Congressional Record, effective Jan. 1983. This savings is a projection based on 3,400 subscribers to the Congressional Record in FY 1985 and 3,500 in FY 1986.	34,000	35,000
12. Automation of the Lobby List printed in the Congressional Record. The Clerk of the House maintains a database tape on the information printed in the Lobby List. In cooperation with the GPO, the Clerk's office prepares a publishing data tape for use in printing the Congressional Record at the end of each fiscal quarter. As a result, GPO composition costs have been reduced by an estimated $110,000 in FY 1985.	110,000	115,000
13. Adoption by the JCP of new uniform standards for all special and miscellaneous binding done for the Congress have reduced costs by streamlining procedures and limiting choices of binding styles and materials.	154,000	185,000
14. To maintain style, approved the procurement by GPO of binding and mailing equipment to modernize and automate the production and distribution of the Congressional Record and Federal Register. The equipment operation began with the 98th Congress and will save approximately $1.3 million annually. Savings on the Congressional Record alone will be approximately $400,000 per year.	1,300,000	1,300,000

	Estimate for FY-1985	Estimate for FY-1986
15. Automation of the Congressional Record Index. This cost avoidance stems from new procedure. whereby indexers keystroke their own material directly into GPO equipment, thus eliminating the need to contract for composition through the private sector.	$ 163,000	$ 173,000
16. Actions taken within the Congress based on recommendations made by the JCP's Advisory Committee on Automation and Standardization of Congressional Publications. While it is not possible to quantify all of the savings achieved through the efforts of the Automation Advisory Committee, it is estimated that the standardized electronic composition of legislative bills and resolutions alone will result in an annual savings of $743,000 in FY 1985 and $780,000 in FY 1986. Another significant result of the Committee's work has been more timely and useable information for the Congress.	743,000 (+)	780,000 (+)
17. Directed the GPO to print half as many High School Debate Books and one quarter as many College Debate Books as in 1983.	12,000	55,000
18. Increased monitoring by the JCP and GPO of requisition orders received from the Congress, resulting in substantial cost avoidances through prevention of duplicative printing.	148,000	148,000
19. Reformatted the JCP print on depository libraries, thus reducing the rider rate from $792.00 to $317.00 per thousand copies. The GPO ordered 30,000 copies, resulting in a savings of $14,000.	---	14,000

	Estimate for FY-1985	Estimate for FY-1986
20. Identified methods by which Committee hearings and prints can be reduced in volume. The FY 1985 Congressional Printing and Binding charges for Committee prints and hearings was $33.5 million. It is anticipated that for the remaining seven months of FY 1986, $415,000 in costs can be avoided.	----	$ 415,000
21. Authorized GPO to print certain Congressional Bills having either small quantity requirements (such as Engrossed Bills) or a limited number of pages on a high-speed electrostatic copier utilizing side stitching. The estimated savings is for seven months.	----	257,000
22. Coordinated the decision of the Department of State to make available to the Congress copies of the Foreign Relations of the United States, thus eliminating the need to print the publication as a House Document. Savings are calculated at $20,927 per volume for the 16 volume series.	----	336,000
23. Authorized the GPO to produce a microfiche edition of the daily Congressional Record, reducing the annual cost by $100 per edition.	----	129,000
GRAND TOTAL	$8,084,000	$10,093,000

LEGISLATIVE BRANCH SAVINGS

The JCP has authorized the Government Printing Office to implement proposals to reduce spending to conform to the requirements of P.L. 99-177. A total of $4,469,000 is to be sequestered from the Congressional Printing and Binding Appropriation, the Printing and Binding Appropriation, and the Salaries and Expenses Appropriation. In addition, GPO is required to sequester $1,222,000 from several internal administrative areas which are funded by the GPO Revolving Fund. For a detailed explanation of these reductions, refer to the GPO testimony on February 27, 1986, before the Subcommittee of the Committee on Appropriations, House of Representatives.

Surplus Printing and Binding Equipment Acquired by GPO in 1985

Item	Value
Platemaker, 11 X 17	$ 16,000
Systems Press, 10½ X 14½	35,000
Folder, 22 X 36	12,800
Five Hole Drill	8,500
Paper Cutter, 47 inch	11,000
Collator	18,500
Stacker	200
Stitcher	3,500
Folder, 11 X 17	4,000
Folder, 23 X 26	10,000
Punching Machine	2,500
Offset Press, 19 X 25	70,000
Copy Sorter	500
Folder, 23 X 36	12,800
Shrink Wrap Machine	5,000
Offset Duplicator, 8½ X 14	4,200
Stitcher	3,000
GBC Punching Unit	1,600
Collator, 10 station	9,500
Offset Press, 19 X 25	70,000
GBC Binder & Punch	2,000
Offset Perfector, 10 X 15	7,900
Offset Press, Tandem 10 X 15	17,500
Camera 31"	25,000
Collator	13,400
Cutter, 58 inch	15,000
Paper Drill	7,100
Stitcher	3,000
Collator, 9 station	31,200
Video Recorders (4)	10,000
Offset Press, 14 X 17	10,000
Folder, 23 X 18	6,000
Micro Fiche Systems	45,000
Total Cost Avoidance	$491,700

SAVINGS AND/OR COST AVOIDANCES ATTRIBUTABLE TO JCP'S OVERSIGHT ACTIVITIES AND AUTHORIZATIONS ON PRINTING AND BINDING EQUIPMENT FOR THE EXECUTIVE BRANCH: $2,855,000

AGENCY		FY 1985
AGRICULTURE		
9/24/85	Purchase electronic system (savings during first five years $5,265,030)	$1,053,000
AIR FORCE		
11/13/84	Install phototypesetter	10,000
3/ 6/85	Transfer equipment	45,000
5/14/85	Install automated printing capabilities	63,000
5/14/85	Install phototypesetting system	7,000
7/24/85	Install phototypesetting system	62,000
7/24/85	Update photocomposition system	43,000
8/ 1/85	Purchase photocomposition system	37,000
9/12/85	Lease/purchase electronic capabilities	4,000
		$271,000
ENERGY		
11/ 5/84	Install electronic printing capability	114,000
2/ 6/85	Install electronic printing capability	11,000
4/24/85	Install electronic printing capability	209,000
8/ 1/85	Purchase electronic capabilities	44,000
8/ 1/85	Purchase electronic equipment	26,000
8/ 1/85	Purchase electronic equipment (4 years savings of $400,000)	100,000
		$504,000
HEALTH AND HUMAN SERVICES		
3/ 6/85	Install electronic printing capabilities at 6 SS centers (6 year savings of $3,646,032)	607,000
5/24/85	Conversion of forms format to electronic printing	129,000
		$736,000
INTERIOR		
4/12/85	Install photocomposition systems	36,000
9/12/85	Purchase photocomposition system	20,000
		$56,000
NAVY		
11/ 5/84	Lease/purchase collator w/accessories	58,000
3/ 7/85	Install photocomposition capability	16,000
5/17/85	Purchase 5-head drill and perforator	2,000
5/24/85	Purchase folder	1,000
6/24/85	Install photocompostion system	10,000
8/ 1/85	Lease photocomposition system	15,000
8/ 1/85	Lease photocomposition system	20,000
8/14/85	Lease photocomposition system	13,000
		$135,000
TREASURY		
4/12/85	Purchase three-knife trimmer	2,000
		$2,000
VETERANS ADMINISTRATION		
6/13/85	Install electronic capabilities	48,000
7/24/85	Install electronic capability	50,000
		$98,000
	GRAND TOTAL:	$2,855,000

PRINTING PROCUREMENT TASK FORCE

In 1965, the Joint Committee on Printing conceived and created the Federal Printing Program to ensure that Government printing would be procured competitively from the private sector as much as practicable. During the ensuing years, this program developed to the point that by 1980 the Government Printing Office was procuring 70 percent of the Federal Government's printing. However, based on information received from open meetings with customers and suppliers, as well as visits to GPO Regional Printing Procurement Offices, agency sites and commercial printers, the JCP found that the printing procurement system suffered from a variety of serious problems. Many of these problems related to delivery schedules, the quality of printed products, and the lack of communication among all participants in the printing procurement program.

To deal with these significant concerns, the Joint Committee on Printing formed a Printing Procurement Task Force in 1983. The task force was charged with examining the Federal Printing Program with a fresh perspective, to evaluate its operation, and to consider issues for improving its efficiency and responsiveness to agency customers. To ensure a balanced view and objective examination, the task force was composed of representatives from Executive Branch agencies, the Government Printing Office, printing industry suppliers, and the JCP staff. In early 1984, the task force completed its initial work and submitted to the Chairman its findings and a list of 17 specific recommendations for the improvement of the Federal Printing Program. Chairman Hawkins transmitted these findings and recommendations to the Public Printer and requested their adoption.

Since then, the JCP has worked with GPO in implementing the recommendations and has continued to monitor the performance of the Federal Printing Program. This has resulted directly in the establishment of new GPO Satellite Printing Procurement Offices near high volume agency customers, the reorganization of GPO's Customer Service and Printing Procurement staffs to better serve agencies with account representatives, use of delivery-based printing contracts and other devices to improve timeliness and quality, and an increase in staff at Regional Printing Procurement Offices to eliminate work backlogs and improve service.

EXECUTIVE BRANCH SAVINGS

An example of how the Joint Committee on Printing's oversight of Executive Branch printing activities often results in cost savings is highlighted by a recent Department of the Air Force request for equipment approval.

In November 1983, the Department requested approval to purchase a 22 x 36-inch, 16-unit perfector, web offset printing press with an in-line folder and accessories for installation in the Gunter Air Force Station authorized printing plant, Montgomery, Alabama. The primary justification for this acquisition was that the Government Printing Office was unable to meet mission support requirements through its commercial procurement program. However, a May 1980 Joint Committee staff on-site review of this facility had concluded that most of the work being produced in the plant was not time critical and could be procured through commercial sources. Between 1980 and 1983 a number of equipment acquisitions were approved by the Joint Committee, with the understanding that Gunter would reduce its in-house production capacity and that all appropriate commercially procurable work would be placed with the Government Printing Office Regional Printing Procurement Office in Atlanta, Georgia. At the request of the Joint Committee, GPO representatives visited the Gunter facility in both 1983 and 1984 and initiated a number of approaches to providing commercial printing procurement support for mission requirements. With this background in mind, the Joint Committee staff felt that the Department's request for such a major increase in production capacity was not consistent with the objectives of the Federal Printing Program. Due to this apparent inconsistency, Joint Committee staff began an in-depth study of the printing program at Gunter including a computer-assisted analysis of printing requirements and plant performance. A great deal of additional information was collected from both the Department and the GPO.

The results of the second study clearly indicated that changes by both the Department and the GPO could result in dramatic improvements in the level of support being provided by the commercial procurement program. In August 1984, a demonstration project was established to allow the GPO to gain additional first-hand knowledge of the mission requirements of this facility and measurably improve the level of service. This effort was continued through December 1984, at which time a joint on-site visit was made by JCP staff, GPO management, and Departmental printing management staff to evaluate its success.

Following the on-site visit, Joint Committee staff analyzed all of the background and additional information that was collected since the request had been received. A comprehensive report was prepared that concluded that significant savings could be achieved through substantial increases in the level of commercial procurement of printing, without any decrease in the real level of mission support. In fact, commercially procured work was demonstrated to cost 45 percent less than work produced in-plant. Up to $870,000 was estimated as potential annual savings through proper utilization of the Federal Printing Program, as well as avoiding an expenditure of $250,000. For this reason, the Joint Committee disapproved the acquisition of the web press, and notified the Secretary of the Air Force that the authorized printing plant should be reduced to duplicating level through an 18 month phase-down program.

Despite the significant savings that could be realized by diverting much of the in-house printing workload at Gunter AFS to the private sector, and despite the recommendations of the Joint Committee on Printing, the Department of the Air Force proceeded to purchase the web press. The JCP staff asked for the help of the Senate and House Committees on Appropriations and other Congressional entities to include a provision in Public Law 99-190 that prohibits the Air Force from installing, operating, or maintaining this web press. Following their timely inclusion of this wording in the law, the Senate and House Appropriation Committees have extended their help by asking the Air Force to report on how it will dispose of this equipment. Section 312, Title 44, USC requires that such excess printing equipment be offered first to the Public Printer for use within the GPO, where better utilization will benefit the Government as a whole.

Oversight of Agency Printing Plants

Between 1980 and 1984 Joint Committee on Printing staff visited all authorized printing plants in the Federal government to verify the extent of participation in the Federal Printing Program and to determine to what extent GPO contracts could satisfy the installations' needs. In 1980 there were 300 such plants. Today, substantially as a result of committee visits 58 plants have been closed, consolidated or downgraded, such that only 242 authorized plants remain.

The Department of Defense operates 146 of the 242 printing plants (60.3%)

Army	71
Air Force	26
Navy	49

Examples of savings resulting from disestablishment of printing plants in FY 85:1/

Date Plant Disestablished		FY-86 and Annually Thereafter
03-01-85	U.S. Army Tank Automotive Command, Warren, MI	$ 848,941
04-03-85	Internal Revenue Service, Atlanta, Georgia	11,603
10-01-85	National Institutes of Health, Bethesda, Md.	1,257,746
	TOTAL	$2,118,290

Estimated Savings Expected From Pending Plant Disestablishments During FY 86:1/

Agency/Location	FY 1986	FY 1987 Annually Thereafter
Gunter Air Force Station, AL	$1,120,000 2/	$ 870,000
Defense Logistics Agency, VA	233,138 2/	205,838
Department of Agriculture, DC	428,739	428.739
NPPSDO, Brooklyn, NY	621,745 2/	514,745
	$2,403,622	$1,834,322

1/ The potential savings is based on commercial procurement of work at approximately $11.26 per thousand units, as opposed to in-plant costs.

2/ These figures include a cost avoidance of planned purchase of equipment that was denied.

Summary of projected savings resulting from recent plant disestablishments:

Year	Number	FY '85	FY '86	FY '87
1984	14	$1,311,105	$1,311,105	$1,311,105
1985	3	---	$2,118,290	$2,118,290
1986 (Pending)	4	___	$2,403,622	$1,834,322

GRAND TOTAL SAVINGS $12,407,839

In 1985 the Chairman recommended that production equipment not be purchased for some printing plants. This amounted to a cost avoidance of some $187,000. To date during fiscal year 1986, Committee recommendations against such purchases have saved approximately $112,100.

Summary of projected savings through fiscal year 1987 resulting from JCP printing plant related actions:

Plant disestablishments	$ 8,169,895
Pending plant disestablishments	4,237,944
Equipment disapprovals ('85 and '86 only)	299,100
	$12,706,939

Agency Duplicating Facilities

Based on a 1983 OMB/GPO survey there are approximately 783 duplicating facilities in the Federal government. The JCP believes that many of these facilities can be consolidated. The 783 duplicating facilities and the 242 authorized printing plants equate to a combined total of 1,025 facilities. Of this number the Army, Air Force, and Navy have a total of 626 duplicating facilities. The breakdown is as follows:

Army:	365
Air Force	126
Navy	135

CLOSING COMMENTS

Mrs. BOGGS. I would like to say not only as a colleague and as a friend, but also as a constituent, I have appreciated working with you.

Senator MATHIAS. Thank you. You all are going to make me very sentimental here, however I feel I have achieved at least one affinity with Sarah Bernhardt, I am having a lot of last appearances.

Mrs. BOGGS. Senator, on behalf of the Committee, I thank you for once again appearing before us. My colleagues and I are appreciative of your fine work, and wish you continued success in future years.

We also thank Mr. Kleis and his staff for their comments today. We will now conclude this hearing.

TUESDAY, MARCH 4, 1986.

AMERICAN LIBRARY ASSOCIATION

WITNESS

BEVERLY P. LYNCH, UNIVERSITY LIBRARIAN, UNIVERSITY OF ILLINOIS AT CHICAGO, AND PRESIDENT, AMERICAN LIBRARY ASSOCIATION

Mr. LEWIS [presiding]. Let's begin the hearing on public witnesses with Beverly Lynch, Librarian, University of Illinois, and the President of the American Library Association.

Ms. LYNCH. It is a pleasure to be here. We have interest in testimony before you today on the Congressional Budget Office and the Joint Committee on Printing. We will be issuing a statement on the GPO for the record.

Mr. LEWIS. We will include any formal remarks in the record.

POTENTIAL DISINTEGRATION OF LIBRARY SERVICES

Ms. LYNCH. Splendid. I am here to talk about the Library of Congress appropriation, and you have my statement for the record. What I will do is highlight my testimony, and if you have any questions, I will be happy to answer those.

In my statement, I refer to the U.S. library community and the Library of Congress. I want to remind us that libraries do not exist for themselves but for the users, and you know that vis-a-vis the Congressional Record.

I do want us to keep in mind the user of today and the user of tomorrow. The Librarian of Congress was here two weeks ago sounding the alarm. I am here to sound the alarm again. The American library community, and citizens at large, are not yet aware of the impact of reductions in the budget this year, not only for the library, but for society. You don't see what the disintegration is like because it is not physical. You don't see what it means not to buy materials until ten years from now you look for them, and they are not there.

So the disintegration of the library is an insidious, a difficult thing to even talk about. You can think of it as a cancer. We have identified it now and diagnosed it. If nothing happens, it leads to disaster. The reduction in the hours are very visible, and you have certainly seen the press and probably had people in your office and so forth from the research and educational budgeting communities here.

I am from Illinois, and let me say to you the hours reach beyond the beltway. For myself, I was here several years ago when the library opted to complete a research project. We have one week between our winter and spring quarters. A friend of mine plans to be here and plans to spend his time in the Library of Congress. He will have 23 hours less that week.

The impact around the country is significant. They won't know it until they arrive to research at the library. I intend to tell as many people as I can, but you will be hearing from around the country on that.

REDUCTION IMPACT ON COLLECTIONS

I do want to go back, though, to the invisible disintegration and point to two areas: First, the collections and the budget decline, and purchase of library materials. You won't see that right away because the Congress, people in Washington, will continue to read the English language materials, continue to see English language journals, they won't be there ten years from now when the Brazilian poet's material is not here, when material published in Nairobi is not here, when a map of the Philippines is not here. You won't see that until the gaps are observed a decade or two away, and then it is too late because those materials will be lost forever, certainly lost in this country.

LOSS OF LANGUAGE MATERIALS

The other areas in the preparation of library materials—and let me just remind us, if we don't know it, it is lost anyway, and that is called the backlog of library materials. The foreign language material, because people will know that the English language material and catalogues are there, but the people who know, understand and read other languages will not be working in the library. The foreign language specialists will be gone.

That is very important for the Congress to understand, because your research depends on those collections, as well. There is an important project in Chinese, Japanese and Korean that directly impacts on scholars around the country, and I remind you that the reduction in preparation of materials will impact on that.

LIBRARY PRESERVATION PROGRAMS

You will hear and have heard a great deal about the preservation programs of the library and the importance of those programs to the nation at large. The library has been very eloquent on making that known to you. I reiterate that importance to the country for the future.

Also, the automation programs are very important. The LC has been in the forefront there, every user and library depends on it. Let me just remind us the revised request—the Congress went back and looked at its request and, having originally requested 266 million for fiscal year 1987, came in with a 260 million budget for fiscal year 1987. That revised request is only nine percent above the level of two years ago.

PLEA OF AMERICAN LIBRARY ASSOCIATION

The American Library Association, the community I am here representing today, recommends strongly that you find your way clear to approve this funding. We know the deficit problem, we understand the deficit problem. We are aware of the pressures facing you, but we want you to consider the cost of a Congress less willing, the cost to democracy of a less well-informed citizenry, the cost through scholarship research and productivity as the gaps in our knowledge base emerge.

Some say what is on the line here is the life of the mind, and I put that before you.

What the Council of American Library Associations did at its January meeting was pass a resolution on the Gramm-Rudman-Hollings Act, and that is attached to the statement. What that does is urge the Congress to seek alternate ways of sequestering, and we urge that you use your progressivity and do everything in your power to protect this treasure, the Library of Congress.

Thank you very much.

Mr. LEWIS. As you are aware, Dr. Bornstein did a fine job of presenting his case to the committee. We are faced with difficulty, but your commentary and eloquent statement will help as well. We appreciate it.

[The statement of Beverly P. Lynch follows:]

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Subcommittee on Legislative Appropriations
Committee on Appropriations
U.S. House of Representatives

Hearing
Tuesday, March 4, 1986
Room H-301, U.S. Capitol
2:00 p.m.

Public Witness on Library of Congress Budget

Dr. Beverly P. Lynch

University Librarian
University of Illinois at Chicago
and
President
American Library Association

Dr. Lynch received a BS from North Dakota State University, an MSLS from the University of Illinois at Urbana-Champaign, and a Ph.D. from the University of Wisconsin-Madison. She has held her present position since 1977. Previously she was executive secretary of ALA's Association of College and Research Libraries from 1972-76. She has held positions at the libraries of Yale University and Marquette University, and has written extensively on library management and organization.

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Statement of

Dr. Beverly P. Lynch
University Librarian
University of Illinois at Chicago

before the
Subcommittee on Legislative Appropriations
of the
House Committee on Appropriations

on the
FY 1987 Appropriations for the Library of Congress

March 4, 1986

I am Beverly Lynch, University Librarian at the University of Illinois at Chicago, and President of the American Library Association, a nonprofit educational organization of 42,000 librarians, library trustees and friends of libraries.

The U.S. library community depends on and is grateful for the richness of the Library of Congress' collections, for its professional and technological leadership, and for its many national library services. We thank this Subcommittee for its past support of this unique institution. The Library has no equal in this country, or indeed, in the world.

Cause for Alarm. We are disturbed, however, and more, we are alarmed at what is happening to the Library of Congress now. Mr. Chairman, you characterized Librarian of Congress Daniel Boorstin as "an intellectual Paul Revere" when he appeared before you two weeks ago with an extraordinary and eloquent message of alarm. I am here to tell you that Dr. Boorstin's message has reached and alarmed librarians everywhere.

The Library's double dose of cuts this year resulting from reduced Congressional appropriations plus the Gramm-Rudman-Hollings balanced budget legislation sequestration leaves this great institution 8 percent or $18.3 million below last year's funding. The Library's revised and most reasonable request would restore those cuts and enable it, barely, to maintain current services.

Congressional Research Service. You already have some idea of what those cuts will mean to you and your colleagues in pared down services from the Congressional Research Service. Your staff reaches only an answering machine on CRS' quick reference phone line, and must wait for a response in turn. CRS reports may be less thorough or slower in coming, not only because of direct reductions in CRS staffing and resources, but also because of more meager resources in LC as a whole.

Research and Reader Services. You have heard the protests from users, seen their letters to the editor and noted the columnists' laments about the unprecedented step of closing the reading rooms on Sundays, holidays, and Monday, Tuesday, Thursday, and Friday evenings. Indeed, it makes no sense to acquire, process, and preserve such treasures as the Library holds, and then restrict access to them. The increased demands during the reduced hours of operation, particularly during the only remaining "after work" hours on Saturdays and Wednesday evenings, will simply frustrate users and staff alike.

Effect on U.S. Libraries. What is only now becoming apparent, and what I am here to tell you about, is the effect of the cutbacks in the less visible areas of the Library of Congress on libraries, and users of libraries, all across this country, and beyond. Students and educators, scientists and scholars, the blind and physically handicapped, writers and researchers from academe, business, technology, associations, government agencies, citizen groups---all will be affected. This is not an exaggerated claim. The many national library services performed by the Library of Congress link its fortunes inextricably to the effectiveness and efficiency of library service throughout the U.S.

Purchase and Preparation of Books. For instance, the majority of the cataloging and classification of books held in U.S. libraries is done by the Library of Congress. This bibliographic data has been made available by LC to other libraries through catalog cards, book catalogs, and computer tapes. Through the marvels of computer and communication technologies applied to library operations (an area in which the Library of Congress has contributed much in leadership and coordination), thousands of libraries can reap the benefits and avoid duplicating the work LC has already done.

In addition, LC, as the nation's premier research library, has subject, language, and technological expertise which no other single library can match. Other research libraries contribute original cataloging to these shared databases, and small libraries contribute data on local materials and certain unique items. The effort is a cooperative one; nevertheless, a small library can often rely on LC for close to 100 percent of its cataloging needs.

What budget documents call Preparation of Books and Purchase of Books are particularly important to other libraries in the area of foreign materials. Such materials are increasingly important to all libraries---because of increased attention in universities to area and language studies, because of the need to remain competitive with other countries in advanced research and in world markets, and to serve the needs of increasing numbers of library users for whom English is not their first language.

Many foreign materials require special expertise to identify and acquire, as well as language and subject expertise to catalog and classify. If all libraries with need for such material had to perform these tasks independently, there would simply not be enough experts to meet the demand, even if libraries could afford them. The cooperation of LC and other libraries with concentrations of such materials enables still other libraries to acquire and make quickly available to users materials from around the world.

Should LC become less comprehensive in its collections or less timely in providing exact records for its resources, as will happen this year, both Congress and the nation's libraries will suffer. Funds for the purchase of books and other materials are down 22 percent, and at least 25,000 fewer books will be cataloged.

Preservation of Library Materials. Preservation of Library Materials has been reduced 18.4 percent, a disaster at a time when, nationally, about one-fourth to one-half of all paper in existing book collections is in such poor condition that further use by circulation or photocopying may result in loss of text. Without treatment, all but about 10 percent of the remainder of book collections are expected to reach the same brittle state. LC has pioneered in techniques to reverse the deterioration caused by the acids used in paper production since about 1850.

The preservation problem is of such magnitude that, again, cooperation is the only feasible approach. Libraries cannot afford to duplicate this work. For many items in years to come, the LC copy may be the only copy anywhere in good enough shape to use. If LC falls behind in preservation, items will simply be lost to future users.

Automated Systems Support. Funds for automation of LC services are being reduced by 6.8 percent, not counting cuts in personnel. I can't describe the effect any more succinctly than did Deputy Librarian William Welsh---the Library's "ability to do more with less staff is directly related to automation, and it would be disastrous not to have needed computer capacity." In addition, LC's automation efforts and pioneering uses of new technology often lead the way for other libraries.

Books for the Blind and Physically Handicapped. The budget for the National Library Service for the Blind and Physically Handicapped is being reduced by almost 12 percent. As a result, patrons can subscribe to braille and recorded magazines only when current users leave the program or drop a magazine. The waiting list is currently growing at 1,000 names per month. Cassette book production is being lowered by 100 titles; braille books by 110 titles.

These materials are distributed to the blind and visually handicapped with the cooperation of 160 regional and subregional libraries for the blind, most of them state funded. Over 630,000 readers are served; 11 million recorded books and magazines were circulated in the last fiscal year. User surveys show that many are elderly, and many come from low income households. Without this service, and free postage for the blind to support transportation of materials and equipment, most users would have no other source of reading material. Their contributions to society, their independence, their quality of life, would all suffer.

For the second year in a row, the Administration's budget has threatened this program by recommending the elimination of all postal revenue forgone appropriations. Without these funds, free mail for the blind would jump to full commercial rates; state library programs for the blind would collapse, and perhaps LC's program as well.

LC's Request. I have outlined only some of the consequences of the very serious crisis the Library faces. For FY 1985, the Library had available to it $238,542,000. As of March 1 when the Gramm-Rudman-Hollings sequester order took effect, LC has only $220,269,000 for FY 1986. The Library originally requested $266,197,000 for FY 1987, but as you heard at your hearing on February 20, the Library has reduced its budget request to $260,750,000.

Cuts Should Be Restored. The revised request is only 9 percent above the level of two years ago, restoring the cuts and barely keeping pace with increased costs. The American Library Association strongly recommends that you approve this level of funding. We are aware of the budgetary pressures you face. But consider the costs of a Congress not well informed, the costs to democracy of an information-impoverished citizenry, and the costs to scholarship, research, and productivity of gaps in our information base.

The longer the Library of Congress operates with less than it needs to perform its basic functions, the more impossible it becomes to repair the damage. One year with an 8 percent cut will result in irretrievable omissions, even if the funds are restored in FY 1987. The elimination of 300 positions, including some highly qualified specialists, will make it more difficult for LC to recruit the best qualified candidates in the future. Materials not acquired this year, especially from foreign sources, may be unavailable next year. Some materials not preserved this year will become too brittle to use.

On January 22 the ALA Council passed a resolution on the Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings), noting its devastating effects on libraries and requesting that "Congress use alternatives to sequestration to address the deficit which would minimize the impact on the nation's library and information services." A copy of this resolution is attached to my statement. We urge you to use your prerogative to set priorities, and to do everything in your power to protect this national treasure, the Library of Congress.

Thank you for the opportunity to testify on behalf of the American Library Association in support of the FY 1987 budget request of the Library of Congress.

Attachment

Resolution on the Balanced Budget and Emergency Deficit Control Act of 1985

WHEREAS, The Balanced Budget and Emergency Deficit Control Act of 1985, PL 99-177, known as the Gramm-Rudman-Hollings Amendment, would balance the federal budget over six years through a process involving automatic "sequestration" of funds for federal programs, including library programs and services, which are not exempt from cuts; and

WHEREAS, The increasingly severe cuts under PL 99-177 coupled with other proposed budget reductions will have a devastating effect on public sources of library funding on the federal, state and local level; and

WHEREAS, America's libraries not only support the demands of an information age but also ensure an informed citizenry essential to a democratic society; and

WHEREAS, Libraries are engaged in addressing the national problem of illiteracy which reduces the ability of one adult in five in the United States to function effectively in business and society; and

WHEREAS, Fiscal constraints have already had serious effects on the ability of libraries to deliver essential services; and

WHEREAS, The future of this nation depends upon the education of its citizens and their access to information for educational, social, cultural and economic development; and

WHEREAS, The citizens of this nation will find their access to information severely diminished in the next six years through the automatic sequestration of fund; and

WHEREAS, The United States Congress has always given strong bipartisan support for developing and maintaining library programs; and

WHEREAS, The United States Congress has the vehicle through existing budget, authorization and appropriation processes to review programs, establish budget priorities, and reduce the deficit; now, therefore, be it

RESOLVED, That the American Library Association communicate to the members of Congress the devastating effects of PL 99-177 on libraries providing access to information, fighting illiteracy, and educating the nation's populace; and, be it further

RESOLVED, That the American Library Association request that the United States Congress use alternatives to sequestration to address the deficit which would minimize the impact on the nation's library and information services.

Adopted by the Council of the
American Library Association
Chicago, Illinois
January 22, 1986
(Council Document #27)

CONGRESSIONAL RESEARCH EMPLOYEES ASSOCIATION

WITNESS

BARBARA L. MILES, PRESIDENT

Mr. **Lewis.** I would like to call Barbara Miles, President of the Congressional Research Employees Association to the hearing table at this time.

Ms. **Miles.** Thank you. We will submit our formal statement for the record. In true CRS style, I would like to begin at the end and say that we have had some very good labor relations in the last few weeks and months. We are very pleased with the open door policy of our Director and Acting Director, and we wish to make certain you understand and know that. As a result, many of the actions that have been taken in CRS have been taken with the full knowledge of the Congressional Research Employees Association, if not always with our approval, at least with our acquiescence.

We recognize what you are up against this year. We are painfully aware of the staff cuts that are occurring all across the Hill, not only in CRS and Library of Congress, but other places. We know that, nonetheless, I am here in a biased manner to plead for our budget.

DUAL BUDGET REDUCTIONS

We have already taken two cuts, I am sure you are aware of that. At this point, we are 7.5 percent below where we were last year, or $3 million. That is a bit more than we can reasonably swallow. Our managers have already cut the non-personnel items so severely we are now to a point where 90 percent of our budget is personnel staff.

In order to simply get through the post sequestration levels for 1986, some $850,000 has to come out of personnel areas. The hope is that the bulk of that will come out of attrition. We have been under a hiring freeze since last fall. The hiring freeze at this point is very nearly absolute. As a result, we are carrying 95 vacant positions, one of those just became available this last Friday, with the retirement of the Senior Specialist.

IMPACT ON CRS SERVICES

This has led to some gaps in coverage. You have pointed out some of those gaps in coverage to us, they are embarrassing, and we can't answer our telephones. We are not pleased either. As a result, there has been one hole in that hiring freeze. We are posting this week three temporary positions in the inquiry unit, that is a direct response to comments made by this subcommittee two weeks ago.

EDUCATION IN STAFFING

At the same time that we are looking at this sort of coverage, we are also saying goodbye to employees who are term employees. A term employee is a temporary or an indefinite employee with a definite "not to exceed" date. We have about 90 such employees in CRS. I would like to stress that while these are in some sense temporary employees, they are not temporary positions. They are general permanent positions. This includes the inquiry recorders, as well as reference assistants, clerks, part of our clerical support staff.

We never really liked hiring term employees in these positions, but this year the situation is much worse than it has been in the past, not because there are more of them, but because they are leaving us, we cannot afford to keep reemploying them. Some of these people have been with us more than a decade, it is not as if they were here for short periods of time. In at least two cases, we have identified the employees were formerly permanent. In order to gain promotions, they went indefinite and became FTEs. They are now in a position of losing their jobs.

As analysts are leaving the service, and analysts are leaving the service, this is part of the attrition, their colleagues, all of us, have had to spread our areas of expertise in order to maintain coverage or major issues. As support staff have left the service, analysts have had to do more of their own typing. As messengers have left the service, analysts have had to run across the street with packages. We are willing to do that because we care about the service that we give to you.

At the same time, push is coming to shove, and I think we are reaching the breaking point. At the rate we are going now, I think we will get through fiscal year 1986. I am not too certain about fiscal year 1987. Some of our people sat down and put pencil to paper and said "Suppose we get a three percent or four percent increase in pay next year, that is $1 million." Right now that is between seven and ten days of furlough of CRS staff to make that unless we are also given the funding to come up with that. That is not a very pleasant kind of pay raise.

POSSIBILITY OF FURLOUGHS

Within CRS, CREA has gone through and pulled the staff to gain whatever ideas we can and share them with management on how we can deal with these problems. There has been some concern in the library about furloughs versus layoffs. The staff CRS have said overwhelmingly in the survey we just completed that they would prefer taking limited furloughs rather than laying off staff or seeing any more staff go out the door. Ninety percent of our bargaining team came to that conclusion, and the furloughs we are talking about are significant, up to 13 days in a year. That is the kind of support that you are getting from CRS, because we recognize that we serve you and not someone else.

For those reasons, I ask that you please find a way to support our budget. There is a limit to how much more of a cut we can take.

We also don't want to see the clock turned back on equal employment opportunities in the library. You have done some work in this area. You know the "last-in/first-out", in our case those are women, those are minorities, blacks, hispanics. That is just one more reason for not wanting to go the layoff route.

In the meantime, we stand ready to support you and assist you in whatever way we can with our budget, either from my very biased position, as President of the Employees Association, or from my unbiased position as Budget Analyst, which I also am. If you have any questions, I would be happy to answer them.

[The statement of Barbara L. Miles follows:]

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WITNESS LIST FOR

CONGRESSIONAL RESEARCH EMPLOYEES ASSOCIATION (CREA)

in Hearings Before the
Subcommittee on Legislative Appropriations
March 4, 1986

Barbara L. Miles, President
accompanied by
Jean Y. Jones, Vice President
and
Dennis Roth, Member of the Board of Governors

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Statement of Barbara L. Miles, President
Congressional Research Employees Association
before
the Subcommittee on Legislative Branch Appropriations
House Committee on Appropriations

March 4, 1986

Mr. Chairman and members of the Subcommittee:

On behalf of the members of CREA, the employees' association of your Congressional Research Service, I thank you for this opportunity to meet with you today.

I recognize, and all our members recognize, that the current deficit problem requires you and the entire Congress to make difficult decisions as you consider the appropriations bills for the coming fiscal year. We also appreciate that this subcommittee will be particularly anxious to demonstrate restraint and fiscal prudence in funding Congress' own operations at the same time the Congress must face the prospect of reducing funding for other Federal programs and activities. CREA is currently engaged with management in CRS in broadly based efforts to reduce our operating costs and make economies without further curtailing the availability or hampering the efficiency of our core service to you. These are goals we all share. We do not see ourselves as adversaries in this process.

In his statement in support of the CRS budget for FY1987 on February 20, our Acting Director, Joe Ross, asked for additional funds of $5.5 million. We are in accord with the basics of that request. We understand, however, that the coming fiscal year is a time when we must do the best we can with what is possible.

We would like to take this opportunity to inform you about the consequences to CRS of the cuts already taken by the Congress and to clarify what they are likely to be if you decide to appropriate less than the level that CRS has requested. Better than half the CRS FY 1987 funding request is for simple restoration to FY 1985 levels. In FY 1985, budget authority was $40.3 million. For FY 1986, that was cut to $38.9 million. As of March 1, it is $37.3 million, 7 1/2 percent below a year ago. In response to these cuts, CRS has taken the following steps.

First, CRS's budget for non-personnel items has already been cut severely. Photocopiers have been removed and copying for such products as "Infopaks" reduced, contracts which support the work of analysts have been cut 40%, tuition and training -- which includes support for the upward mobility program in CRS -- has been cut 75%, subscriptions for periodicals and data bases which supply much of the information needed for good analysis have been reduced, postage has been cut in half as we no longer mail to your District offices, and a plethora of "nickel-and-dime" savings have been attempted. It has not been enough. Because of these changes, staff salaries now comprise 89 1/2% of our budget and it is from personnel accounts that further cuts must come.

Secondly, CRS has been under a near hiring freeze since last fall, and a total freeze since January. As people have left, their positions have not been filled. We are carrying about 95 vacant positions right now. This has led to gaps in coverage and severe problems in a few areas. The most obvious of these has been telephone coverage, both in the Inquiry Unit, which receives a majority of our incoming calls, and in the Reading Room where the ready-reference "hot line" as well as inquiry backup is located. To cover these positions, some employees have been transferred out of other parts of the service. Others have been asked to volunteer for reassignment or short-term detail. After hearing this Subcommittee's remarks two weeks ago, CRS management decided to post three temporary positions in Inquiry to help fill the gap. That unplanned hiring, even though needed, has placed further pressure on an already strained budget and increased the likelihood of other kinds of personnel cuts.

This raises a parallel issue for CREA: temporary and limited-term appointments. The use of term appointments in CRS, in what are essentially permanent positions, has generally been justified on grounds of high turnover, speed of the hiring process, and where temporaries are used, straight budgetary savings from the lack of fringe benefits. Hiring in this manner has long been a concern to CREA because of the limitation on opportunities, benefits, and protections for employees. Now it has become a concern because of the instability and uncertainty of future employment and the attendant morale problems for our staff. Most of the employees remaining in the Inquiry Unit are limited-term employees, as are many reference librarians, most research assistants, all messengers, and many of our clerical support staff. We fear that continued budget reductions will foster even greater reliance on term appointments, even while not assuring that current term staff will continue to have jobs here.

Finally, in order to reduce costs further, CRS services to you have necessarily been slowed or curtailed. Reduction in hours of the Congressional Reading Room has been designed to have the least adverse impact on our service to Congress, while allowing redeployment of our reference staff to handle backlogs of requests that have resulted from loss of employees coupled with workloads that continue to increase.

As analysts have left the Service, their colleagues have spread their areas of expertise around to maintain coverage of major issues. Thus, in the absence of our nationally-known expert on the space program, CRS was still able to produce an issue brief within 48 hours of the Challenger Space Shuttle tragedy. Despite a shortage in staff covering the Phillipines, CRS was still able to supply our Specialist in Asian Affairs to the U.S. delegation monitoring the elections there. And in spectacular CRS style, we were still able to marshall and coordinate the many analysts needed to answer your requests about the effects of the Gramm-Rudman-Hollings law. There were 1,920 such requests in January alone. And CRS information and analysis support for Civil Service pension changes, tax reform, election law, welfare program shifts, and many other areas remain strong. In other areas -- intelligence, strategic arms control, science and technology, and presidential nominating procedures have been identified -- we are working to replace expertise lost through resignations, and a death. Providing a "pooled resource" to Congress is our reason for being. Responding rapidly and efficiently is our pride. For now, CRS is still managing, with some scrambling, to carry the load. But this has not been accomplished without loss in coverage of other areas which, while less spectacular, are nevertheless important areas of congressional concern.

Now let us assume that for FY 1987, CRS remains funded at the current post-sequestration level. Let us further assume a normal attrition rate, that our present hiring freeze continues, and that our pay scales increase by the amount envisioned in the President's budget. We believe that there is little room in non-personnel accounts for cutting. Indeed, normal cost increases for supplies and other items may be difficult to absorb. That only leaves employee accounts. Should a further cut, due to a new sequestration occur, furloughs would become a certainty.

Please notice that I said furloughs and not lay-offs. CREA surveyed its employees specifically asking for guidance on this matter. While I cannot give you a final tally yet, a preliminary reading of responses indicates strong support for limited furloughs in preference to lay-offs. There are reasons for this. First, employees do not want to lose any more expertise, or the efficiency of our expertise. There is a trade-off for analysts between covering broader issue areas and being able to "go deep" on any one issue quickly. There is also a loss of efficiency when support staff are lost and analysts are required to do more of the production work involved in written responses. We need to avoid such losses.

A second reason is that we know who loses when staff must be cut. RIFs have devastating impacts on lower-graded employees, on recent hires, on part-timers, and on limited-term employees. These catagories of staff tend to be disproportionately women and minorities. In my own division there are good examples of this: two part-time employees are both women; two analysts hired in the last two years, both at risk in a reduction-in-force, are a Black Analyst in Business and Government Relations, and a Black Specialist in International Trade and Finance. Further, a limited-term intern hired under the affirmative action graduate cooperative program, who could have expected a shot at a permanent position under past practices and who is filling a crucial need in our international section, is scheduled to leave us in May. That is only one division.

CREA is very concerned about equal employment opportunity in hiring and promotions at CRS, and has strongly supported special programs, such as affirmative action, in order to redress past inequities in this area.

CREA has supported equal employment opportunities for too long to see the clock turn back.

Perhaps I am belaboring the obvious. Nonetheless, I consider it necessary to emphasize that the overwhelming share of the CRS budget pays for people, and people are CREA's concern. Budget restoration is needed. To continue at our present FY 1986 post-sequestration level is workable only through the efforts of personnel willing to take both voluntary and required furloughs, retire before they had planned, take (unpaid) sabbatical leave, or otherwise reduce their pay, while still covering the workload. Any reduction in budget authority would tear at the heart of an organization that is the envy of every other legislative body in the world.

In closing, let me say two things. When the Library of Congress faces the consequences of severe cuts, so does CRS. So long as they are in such straits that they must reduce force, we will not be able to assume that CRS redeployments, furloughs or other money-saving efforts will be sufficient to remain intact. We urge your sympathetic consideration, not only for CRS, but also for the budgetary needs of the rest of the Library.

And finally, we would add that the Acting Director, Joseph Ross, has been very cooperative with CREA in enabling us to work together in these difficult times for the Congress, CRS, and CREA. We applaud Mr. Ross's efforts in this regard and look forward to continued cooperation. Mr. Ross has stepped into a difficult role in a time of crisii. We have great confidence in him.

We also appreciate your willingness to hear from CREA and want you to know that we are ready and anxious to assist you in your deliberations in any way we can.

SPIRIT OF COOPERATION

Mr. **Lewis**. Let me mention for the record, and also as a comment to other people following your presentation, we appreciate the cooperation of those who are organized and try to assist us in our evaluations. It is a very difficult time, to say the least.

In my own judgment, attrition and furloughs are not ideal tools, however, the use of furlough is one of the more valuable tools that you have helped us to apply and develop. It is not an ideal circumstance nonetheless. If we can talk about adjustments in income that relate to pay raises, we will probably be dealing with a pay supplemental. It is very clear that supplementals coming from this committee are going to be difficult, at best. We spent time in the Speaker's Office this morning discussing in part that subject.

I wanted to make a point, and you tickled my memory regarding that. I have been very impressed in feedback I have received from our management staff in terms of budget cooperation from the agencies. The Association people are indeed sensitive and caring people. Your remarks indicate that.

We are going to get through this without question, but ideally if we can all recognize the need to use the tools of attrition and furloughs as humane, if you will, we will all be better off for it. Your Association has been helpful, we appreciate it.

AMERICAN HISTORICAL ASSOCIATION

WITNESS

SAMUEL R. GAMMON, EXECUTIVE DIRECTOR

Mr. LEWIS. At this time, I would like to ask Samuel Gammon to testify. Dr. Gammon is the Executive Director of the American Historical Association. Please proceed.

Mr. GAMMON. Thank you, Mr. Chairman.

I have submitted a statement for the record, Mr. Chairman. I would like to hit one or two high points, if I may.

First, let me say all of us as citizens, taxpayers and voters, recognize what an impossible job you and your colleagues in this House and in another chamber have, particularly at a time like this.

It has often been said to govern is to choose, and that is the hard part. Anybody can choose between good and bad, but how do you choose between things that are both evil, and so forth?

CONCERNS OF SECHOLARS AND SPECIALISTS

Mr. LEWIS. Or all good?

Mr. GAMMON. I represent the American Historical Association, and I am appearing today not only for the Association, but for the National Coordinating Committee for the Promotion of History, which is a coalition of 38 organizations of historians and archivists, including something like nearly 200,000 members collectively, nearly every one in the field of teaching of history, and the historical archival specialties.

In addition, I have been authorized to speak for the Consortium of Social Science Associations, which includes not only historians, but political scientists, sociologists, psychologists, anthropologists, geologists, linguists and law school specialists.

There we can rack up another 185 miscellaneous scholars and specialists.

Mr. LEWIS. All of whom are saying, "Help."

Mr. GAMMON. All are saying "Mother" or "Help." All of them are concerned about the state of affairs in the Library of Congress. The Library has been very unlucky in the sense it has been hit both by a small routine reduction, and these things happen in appropriation years, and mandatory, untouched by legislative hands Gramm-Rudman cut has put them really up against it.

One of the previous witnesses——

Mr. LEWIS. For the record, untouched by legislative hands is perhaps excessive, since it was a legislative act in the first place.

Mr. GAMMON. In the immediate cuts, original decision.

Mr. LEWIS. It is nice to make the cuts, I suppose, and avoid the pain or the blame, but we deserve it.

INABILITY TO RECOVER DOCUMENTS

Mr. GAMMON. The reductions have been described by Ms. Lynch so eloquently are hurting not only local scholars and researchers, but those who travel to this preeminent national, really international collection, which contains not only books, but manuscripts, papers of important Americans both living and passed; maps, recordings, posters, prints. There is virtually everything in that splendid collection.

The cutback on cataloging and the cutback on acquisition are particularly painful because for librarians, perhaps even more than for baseball teams, catch-up ball becomes extremely important. The game is over once something has gone out of print, and you cannot score in a later inning.

Collection is our history, the link between learning and libraries and our system, our democratic representative system is very close. It goes back a long way.

In concluding this very brief statement, I would only urge, Mr. Chairman, you and your colleagues in the House in another chamber to listen very carefully, and if you do, perhaps you will hear a rustling noise.

That rustling noise, I would submit, is Mr. Jefferson and Mr. Madison and John Adams turning over in their graves. The three principal buildings of the Library are named for them. I think they would be staggered at what is happening to the Library.

We hope and pray for your best efforts to remedy the situation. Thank you, sir.

Mr. LEWIS. Thank you, Mr. Gammon.

[The statement of Mr. Gammon follows:]

American Historical Association

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Statement of Samuel R. Gammon

Executive Director, American Historical Association

U.S. House of Representatives, Subcommittee on Legislation of

The Appropriations Committee

March 4, 1986

Mr. Chairman, I am Samuel R. Gammon, a retired Ambassador and Executive Director of the American Historical Association, the oldest and largest professional association of historians in this country. I am representing today the 38 member organizations of the National Coordinating Committee for the Promotion of History, which has a combined membership of over 200,000. Additionally I have been authorized to speak for the Consortium of Social Science Associations, which also includes, among others, the disciplines of psychology, political science, sociology, geography and economics and which represents over 185,000 scholars and teachers.

The scholarly community in this country is gravely concerned about the disastrous consequences for the Library of Congress of the current budget cuts. Historians are particularly effected by these sharp budget cuts. Historical scholarship builds on past research that has been published in historical monographs and journals, as well as on manuscripts and archives. Thus historians across the country and the world, for that matter, journey to Washington to take advantage of the vast and exemplary collection of the Library of Congress and call on it for inter-library loan services. A very large percentage of the 30,000 historians in this country have engaged in major research projects at the Library of Congress at one time or another. Beginning with the nucleus of Jefferson's library, the Library of Congress has become a mecca for scholars and a source of invaluable knowledge.

Historians depend on the Library of Congress not only for historical data but also for publications in other fields such as science, technology, and law. For example the study of the Industrial Revolution depends on knowledge of technological and medical advances as much as political and military history. History places greater demands on a library than other disciplines. Unlike the sciences, it is a retrospective pursuit and unlike the other humanities it has to rely very heavily on a wide range of publications.

The across the board appropriation reductions for federal programs is an ill conceived plan which has failed to take into consideration the full implications of the reductions. I would like to address specifically three aspects of harmful consequences resulting from the budget cuts. These are the reduction in hours, the reduction in acquisitions, and the reduction in cataloging.

First, scholars will be most handicapped by the reduction of hours in the general reading rooms from 77 1/2 hours to 54 1/2 hours a week. Many scholars do not have lengthy sabbaticals for their research, but must depend on short research trips. When scholars come to Washington for a few days or a week to do research at the Library of Congress, they need to maximize their time. The reduction in evening and weekends cuts deeply the level of their productivity. Another group severely hurt by the reduction of hours is researchers in the Washington area who have full time jobs and must use the Library in the evening and on weekends. Except for Wednesday evening they are cut off. These scholars have often felt slighted by the academic establishment because of their lack of affiliation with a university and now they can justifiably claim they have been discriminated against also by the government. Equally lamentable is the fact that professional scholars will suffer from limited access to the sources that constitute the backbone of their work. While I am not suggesting that intellectual standards will slip, I am warning that these cuts pose a very real threat to the open access of knowledge so vital in a democracy.

Second, scholars are distressed at the reduction in acquisitions. One of the outstanding aspects of the Library of Congress has always been the completeness of its collection. With the failure to purchase new books there will be gaps that will undermine the usefulness of this important collection. Those gaps may last indefinitely for catch-up ball is as difficult for a library as for a baseball team. While it is possible to postpone the purchase of monographs, it is more difficult to secure back issues of serials and periodicals. Once the decision has been made to reduce journal orders, the quality of the collection is very much in jeopardy. The Library of Congress has an unparalleled reputation as *the* storehouse of knowledge on the United States and on many aspects of the rest of the world. Scholars from every country are attracted to Washington by the resources of the Library, scholars whose work both helps us understand ourselves and contributes to the way others understand us. What sort of signal are we sending them and to future generations when it becomes clear that the Library of Congress can no longer meet their research needs.

Finally, we are most distressed at the staff reductions in the Library's cataloging divisions. Scholars can only use material when they have access to it. The failure to catalogue approximately 25,000 books is an extremely serious matter. Also, we should note that the cataloging division of the Library of Congress plays a crucial role, as our national library, for the whole library community. Libraries throughout the world subscribe to the cataloging data of the Library of Congress. Thus not only do these cuts have a impact on those who use the Washington facilities of the Library of Congress but many, many libraries and researchers will be deprived of access to current knowledge because lacking cataloging they are inaccessible -- they become non-persons or rather non-books.

In closing, on behalf of the social sciences and historical scholarly community I urge the Congress to restore funding to this venerable institution of learning. To cut funding to the Library because of an economic shotgun approach and on the eve of our government's bicentennial principle undermines everything the Library of the United States stands for. No mere ledger sheet, no simple financial tally, can account for the benefits the Library offers all of us and our posterity. To endanger these benefits for the sake of a perceived budgetary exigency is indeed the height of folly.

ASSOCIATION OF RESEARCH LIBRARIES

WITNESS

SHIRLEY ECHELMAN, EXECUTIVE DIRECTOR

Mr. LEWIS. I call to the table Shirley Echelman, Executive Director of the Association of Research Libraries. Welcome.

Ms. ECHELMAN. You have copies of my written testimony. This afternoon I would like to highlight some special concerns during the next few brief comments.

I am very pleased to appear this afternoon before the subcommittee on behalf of the 118 institutional members of the Association of Research Libraries to support the budget request of the Library of Congress for fiscal year 1987.

LIBRARY OF CONGRESS LEADERSHIP ROLE

ARL members have an active interest in the programs and operations of the Library, not solely because it is an exemplary research facility, which it certainly is, but also because it plays a critical role in establishing standards and providing bibliographic services on which the Nation's libraries and scholars depend.

The world's publishing output surpasses any one library's ability to collect, catalog, house and preserve it. One way of managing this predicament is for libraries to share in these responsibilities.

The Library of Congress has provided leadership in the development and operation of cooperative programs for sharing responsibilities.

For example, with dependence on one another, libraries must have standard and consistent ways to describe their collections. This standardization enables libraries to exchange bibliographic records that describe the materials available for use. The Library of Congress plays a major role in establishing and updating these standards.

In addition, the wide availability of the Library's bibliographic records, because they are accepted as authoritative and may be relied on for consistency, eliminates the need for other libraries that acquire the same title to duplicate the cataloging effort.

The availability of bibliographic services from the Library of Congress is the keystone to the success of cataloging operations in all libraries. Library of Congress records are depended on to provide access to local collections and to identify material available in other libraries.

MAJOR BUDGETARY REDUCTIONS

Before speaking to the Library's budget request for fiscal year 1987, I would like to comment on the impact of the double dose of budget cuts that the Library received for fiscal year 1986. You have been provided with details on how the $18.3 million reduction has been applied to Library of Congress programs and operations.

I would like to point out, as Dr. Lynch did, that some of the worst cuts are the least visible. In addition to curtailed hours and service delays, I think someone must have called CRS to see how many Senators and Congressmen there were a few minutes ago, so service delays aren't complete.

DETRIMENTAL IMPACT OF BUDGET CUTS

Let me draw your attention to other consequences of the 1986 budget cuts:

An estimated 77,000 books in the collections of the Library reach a brittle state every year. Because of the budget cuts, 25 percent of the books that would have been treated in the preservation microfilming program will not be treated.

A brittle book eventually reaches a point where further handling is impossible, it becomes dust. Books not treated in 1986 may not be in any condition to be preserved next year. The problem is, of course, compounded. Every year, more books require filming, and more left unfilmed turn to dust.

Approximately 25,000 titles will not be cataloged. One immediate impact is delay of access to the material both within the Library and nationally, as almost all libraries rely on the Library of Congress for the cataloging records it produces.

Another result is expensive duplication of cataloging in libraries throughout the country. I would like to illustrate this with an assessment of the impact of reduced Library of Congress cataloging on one university, UCLA.

UCLA calculates the Library of Congress' drop of 25,000 catalog records will increase their own cataloging costs by $290,000. This expense will have to be made up from the acquisition budget of the University, and that will in turn result in 6,100 fewer new titles added to the UCLA library collections.

If you multiply this by every library that uses Library of Congress records, it gives you some idea of the cost to the Nation of the decision that has been forced on the Library of Congress by budget reductions in this one category of its activity.

The Library will have to reduce the amount of current material purchased, and reduce the number of periodical titles received, and almost entirely cease the purchase of materials published prior to this year. The impact of these reductions will particularly serious in the area of serials.

All Federal agencies, including at the suggestion of the chairman of the Joint Committee on Taxation, Chairman Fazio, suggested to the Committee on Taxation they could reduce their serial publications.

These agencies assume that they can "always rely upon the Library of Congress." For 1986 issues of serials, this is now a false assumption.

For the future health of research in the Federal Government and the Nation, cuts in the Library's budget should be restored and the Library should be given whatever protection is possible to prevent further measures.

BUDGETARY PRIORITIES

As to 1987, the Association supports the revised budget request of the Library of Congress. I would like to draw your attention to several categories of the budget that our members believe to be highest priority.

First, the category described as the "preparation of books", which covers, as you know, the creation of records. There is no ready alternative to an authoritative Library of Congress record.

I have spoken before on Gramm-Rudman, about what happens when you do not have a Library of Congress record, and what the effect is on other libraries.

EMPHASIS ON PRESERVATION PROGRAMS

Preservation of research library materials is an ambitious national objective and the Library has a critical role to play in this effort. There are a number of important components in the preservation program at the Library of Congress, but it is the preservation microfilming program that has the most direct and immediate benefit for scholars across the country.

Preservation programs in other libraries are simply not able to take up the slack left by recent curtailment of the Library of Congress microfilming program, and delays are a flirtation with disaster.

Those 77,000 books that I spoke about before that will reach a brittle condition this year are also deteriorating in other libraries across the country. The Library of Congress films this material, it records its action in a National Register of Microfilm Masters, so that other libraries are alerted to the existence of the film.

The Library loans and sells prints of this film, and over 25,000 reels of brittle books and manuscript films were sold in 1985. This program assures access to the title and alerts preservation administrators in other libraries that the same title need not be treated locally.

A decrease of support for the preservation program will surely doom some material to obliteration.

Allowing books to self-destruct on the shelves at the Library is not unlike a 25- to 30-percent across-the-board Federal budget cut. Both are arbitrary, carried out without regard for the content or impact of what is being destroyed, and both could come about from the failure of Congress to act.

I urge the subcommittee to choose funding levels for programs by making thoughtful judgments about priority needs for the long-term well-being of the country.

And I hope that your judgment will recognize Dr. Boorstin's admonition that "any willful cut in the resources of knowledge is an act of self-destruction."

Thank you. I would be happy to answer any questions you may have.

Mr. LEWIS. Thank you, Ms. Echelman. We appreciate your testimony.

I know Ms. Echelman and others are aware of this committee's support for many of the programs you are concerned about cutting. We have similar concerns, but I wouldn't want the record to indicate our lack of not only sensitivity, but our history of actively encouraging many of the efforts that you express in this turnabout.

Ms. ECHELMAN. We appreciate that.

[The statement of Ms. Echelman follows:]

Association of Research Libraries
1527 New Hampshire Avenue, N.W., Washington, D.C. 20036 (202) 232-2466

Shirley Echelman
Witness appearing before the House Subcommittee on
Legislative Branch Appropriations

March 4, 1986

Shirley Echelman is Executive Director of the Association of Research Libraries, a post she has held since May 1981. From January 1979 to May 1981, she was Executive Director of the Medical Library Association. She served as Director of Information Services of the Chemical Bank of New York from 1966 to 1979. Mrs. Echelman has been President of the Special Libraries Association, a member of the Board of Regents of the National Library of Medicine, and a member of the Advisory Committee of the White House Conference on Library and Information Services. She currently serves as Chairman of the Board of Trustees of Public Affairs Information Service, Inc.

The Association of Research Libraries is an organization of 118 of the largest research libraries in the United States and Canada. A list of members appears on the reverse side of this page.

Association of Research Libraries
Institutional Membership

National Libraries:
- Canada Institute for Scientific and Technical Information
- Library of Congress
- National Agricultural Library
- National Library of Canada
- National Library of Medicine

Special Libraries:
- Center for Research Libraries
- Linda Hall Library
- Smithsonian Institution Libraries

Public Libraries:
- Boston Public Library
- New York Public Library
- New York State Library

University Libraries:

Alabama
Alberta
Arizona
Arizona State
Boston
Brigham Young
British Columbia
Brown
Calif., Berkeley
Calif., Davis
Calif., Irvine
Calif., Los Angeles
Calif., Riverside
Calif., San Diego
Calif., Santa Barbara
Case Western Reserve
Chicago
Cincinnati
Colorado
Colorado State
Columbia
Connecticut
Cornell
Dartmouth
Delaware
Duke
Emory
Florida
Florida State
Georgetown
Georgia
Georgia Inst. of Tech.
Guelph
Harvard
Hawaii
Houston
Howard
Illinois
Indiana
Iowa
Iowa State
Johns Hopkins
Kansas
Kentucky
Kent State
Laval
Louisiana State
McGill
McMaster
Manitoba
Maryland
Massachusetts
Mass. Inst. of Tech.
Miami
Michigan
Michigan State
Minnesota
Missouri
Nebraska
New Mexico
New York
North Carolina
North Carolina State
Northwestern
Notre Dame
Ohio State
Oklahoma
Oklahoma State
Oregon
Pennsylvania
Pennsylvania State
Pittsburgh
Princeton
Purdue
Queen's
Rice
Rochester
Rutgers
Saskatchewan
South Carolina
Southern California
Southern Illinois
Stanford
SUNY Albany
SUNY Buffalo
SUNY Stony Brook
Syracuse
Temple
Tennessee
Texas
Texas A&M
Toronto
Tulane
Utah
Vanderbilt
Virginia
Virginia Poly.
Washington
Washington State
Washington, St. Louis
Waterloo
Wayne State
Western Ontario
Wisconsin
Yale
York

Statement on Behalf of the Association of Research Libraries

by
Shirley Echelman
Executive Director

before the
Subcommittee on Legislative Branch Appropriations
U.S. House of Representatives

on

Library of Congress Appropriations for Fiscal Year 1987

March 4, 1986

I appear before the Subcommittee on behalf of the 118 institutional members of the Association of Research Libraries to support the budget request of the Library of Congress for Fiscal Year 1987. ARL member libraries have an active interest in the programs and operations of the Library of Congress not solely because it is an exemplary research facility - which it certainty is - but also because the Library plays a critical role in establishing standards and providing bibliographic services upon which the nation's libraries and scholars depend. To appreciate the importance of this national role, acknowledgement needs to be made of the cooperative communication networks that the nation's libraries rely upon for sharing resources and bibliographic information - and LC's role in making this sharing possible.

The world's publishing output surpasses any one library's ability to collect, catalog, house, and preserve everything. One way of managing this predicament is for libraries to work together to share in these responsibilities. LC has provided exemplary leadership in the development and operation of cooperative programs for shared responsibilities. For example, with dependence upon one another, libraries must have standard and consistent ways to describe their collections. This standardization enables libraries to exchange bibliographic records that describe the material available for use. The Library of Congress plays a major role in establishing and updating these standards. In addition, the wide availability of the Library's bibliographic records, because they are accepted as authoritative and may be relied upon for consistency, eliminates the need for other libraries that acquire the same title to duplicate the cataloging effort. The availability of bibliographic services from the Library of Congress is the keystone to the success of cataloging operations in all libraries. LC records are depended upon to provide access to local collections and to identify material available in other libraries.

Impact of 1986 Cuts

Before speaking to the Library's budget request for FY 1987, I would like to comment on the impact of the double dose of budget cuts that the Library received for FY 1986. The Library has provided you with details on how the $18.3 million reduction has been applied to LC programs and operations so I will not recount this to you. However, I would like to point out that some of the worst cuts are the least visible. In addition to curtailed hours and service delays such as no answer on the quick reference telephone number into the CRS, let me draw your attention to other consequences of the 1986 budget cuts.

- An estimated 77,000 books in the collections of the Library reach a brittle state each year. Because of the budget cuts, 25% of the books that would have been treated in the Library's preservation microfilming program will not be treated. A brittle book eventually reaches a point where further handling is impossible - it becomes dust. Books not treated in 1986 may not be in any condition to be preserved next year. The problem is, of course, compounded. Each year more books require filming and more - left unfilmed - turn to dust.

- Approximately 25,000 titles will not be cataloged. The immediate impact is the delay of access to the material both within the library and nationally as almost all libraries rely upon LC for the cataloging records it produces. A more subtle but equally serious impact is the erosion of quality and consistency in the nation's bibliographic data bases - a weakness that will be carried into the future.

- The Library will have to reduce the amount of current material purchased, reduce the number of periodical titles received, and almost entirely cease the purchase of material published prior to this year. The impact of these reductions will be particularly serious in the area of serial publications. All federal agencies, including at your own suggestion Mr. Chairman, the Joint Committee on Taxation, are reducing the amount of money spent on serial publications. Assumptions are being made that they can "always rely upon the Library of Congress." For 1986 issues of serials, this is now a false assumption.

I share the alarm that Dr. Boorstin so eloquently sounded before the Subcommittee about the future of the Library. Cuts in the Library's budget should be restored and the library should be given whatever protection is possible to prevent further Draconian measures.

Before turning to the primary purpose of your hearing today, I would like to add a brief word about cuts in other parts of the Legislative Branch Appropriations for 1986 that have had a direct negative impact on libraries. The Government Printing Office and the Joint Committee on Printing provide services that have an immediate impact on the research community of the country as well as the general public. Both agencies are heavily engaged in assuring access to government information, and cuts in these two agency budgets have had a direct negative impact on one of the oldest and most effective public-private cooperative programs ... the Depository Library Program. An example of the impact of the 1986 cuts is that Depository Libraries will no longer receive the final edition of the Congressional Record in paper copy. Only a microfiche copy of this title will be available to depository libraries. In addition, since GPO has primary cataloging responsibility for U.S. Government publications and faces the same difficult fiscal constraints ~~now as do~~ the cataloging operations of the Library of Congress, we expect that access to the publications of our Federal Government will be delayed. In fact, GPO is proportionally in worse shape than LC, facing a budget cut that brings them 14% below their FY 1985 level. I urge the Subcommittee to support the Depository Library Program in the 1987 budgets for the Joint Committee on Printing and the Government Printing Office.

Library of Congress 1987 Revised Budget Request

ARL supports the revised budget request of the Library of Congress for FY 1987 and I would like to draw your attention to several portions of the budget that members of ARL believe to be highest priority. I will begin with the category described as the preparation of books which as you know covers the creation of bibliographic records. As I said earlier in my testimony, any reduction in the Library's contribution to the nation's resource pool of bibliographic records has a profound impact on all libraries of this country. David Bishop, Director of Libraries at the University of Georgia, sums up the importance of the Library of Congress role in provision of bibliographic services succinctly: "As long as the majority of the records in the national databases are LC's we have a strength and consistency that other libraries may emulate. As the percentage of LC records drops however, the consistency is lost and since the system is cumulative, the current weakness will be carried into the future - an erosion that cannot be corrected."

There is no ready alternative to an authoritative LC record. The absence of an LC record will substantially contribute to delays in cataloging nationally and to the creation of inconsistent multiple records for a single title. Such inefficient and expensive duplication of cataloging slows down the availability of material for library users and places further demands on the hard-pressed budgets of libraries of all kinds across the country.

At the University of Chicago Library, for example, processing operations were established in 1913 and designed specifically to use the Library of Congress cataloging records. Martin Runkle, Director of the Library, reports that LC records are still the main source of cataloging information for that library, representing 85% of their current cataloging production. The reduction in LC's capability to produce bibliographic records will have a profound impact on that library's operations and will almost certainly cause delays of years before some material is cataloged and fully accessible for the use of scholars.

All of the cataloging records contributed to the bibliographic networks by the Library of Congress are important to the nation's libraries. In addition, some of these records are of particular interest and concern to research libraries. These are the descriptions of publications in languages that do not use the Roman alphabet. Catalogers of Chinese, Korean, or Japanese materials, for example, are few in number and therefore jealously guarded! A researcher seeking information in one of these languages will encounter inordinate delays trying to locate such material unless the work of the relatively few experts is quickly shared by way of the national bibliographic networks. The Library of Congress now has the staff to create and contribute 500 records of Chinese, Korean, or Japanese material per week to the network. Research libraries across the country use these LC records to make their Chinese, Korean, and Japanese materials available to researchers. We ask that this operation be made a permanent part of the Library's cataloging responsibilities and that it be supported with funding sufficient to at least maintain the current level of cataloging.

preservation microfilming program - and delays are a flirtation with disaster. There is no assurance that the material not treated this year will be in any condition to be treated in the future.

Each year an estimated 77,000 books in the Library of Congress collection reach the brittle condition - where further use by circulation or photocopying may result in loss of text. These same titles are deteriorating in other libraries across the country. The Library of Congress films this material and records its action in a National Register of Microform Masters so that other libraries are alerted to the existence of the film. The Library loans and sells prints of film and over 25,000 reels of brittle book and manuscript films were sold in FY 1985. This program assures access to the title and also alerts preservation administrators in other libraries that the same title need not be treated locally, avoiding duplication of effort and expense. It would be a severe blow to preservation efforts underway in the nation if the Library is forced to continue operating at the 1986 level or worse, suffers further reduction. A decrease of support for the preservation program will surely doom some material to obliteration.

Allowing books to self destruct on the shelves at the Library of Congress is not unlike a 25-30% across the board federal budget cut. Both are arbitrary - carried out without regard for the content or impact of what is being destroyed - and both could come about from the failure of Congress to take action. I urge the Subcommittee to make choices about funding levels for programs by making thoughtful judgments about priority needs for the long-term health and well being of the country. And I hope that your judgment will recognize Dr. Boorstin's rejoinder that "Any willful cut in our resources of knowledge is an act of self-destruction."

AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, LOCAL 2910

WITNESSES

MARY ANN JOYCE, PRESIDENT

KATRINA ARNHOLD, FIRST VICE PRESIDENT

PAM VAN EE, SECOND VICE PRESIDENT

Mr. LEWIS. We now will hear from Mary Ann Joyce, President, Local 2910, American Federation of State, County, and Municipal Employees. Welcome Ms. Joyce. Will you introduce those accompanying you.

Ms. JOYCE. Yes, with me today are First Vice President, Katrina Arnhold, and Second Vice President, Pam Van Ee.

Mr. Chairman, Members of the Subcommittee, we thank you.

Mr. LEWIS. Let me say, your testimony will become part of the formal record, so, you can summarize your statement, if you choose.

Ms. JOYCE. We thank you on behalf of our 1200 bargaining unit members, for the opportunity to testify today, and for your continuing support of the mission of the Library, and the well-being of its employees.

We would like to focus on the budget cuts and their implementation and discuss very briefly equal employment opportunity and affirmative action, and some health and safety issues.

Librarian of Congress Daniel Boorstin testified eloquently about the impact of the $18 million in budget cuts on the Library's collections and the public's physical access to them.

IMPACT OF REDUCTIONS ON LIBRARY EMPLOYEES

We intend to talk about how such cuts affect Library employees, who provide the essential link between the Library's collections and all those who use them. We believe that the most severe and lasting damage inflicted upon any library, short of burning it down, occurs when the experience and expertise of its staff members is lost.

Separating staff experts from those they serve is like tearing the index from a reference book. One retains information, but loses the ability to access it. Staff members are being torn down from their positions, and the Library is being defaced as a result.

Without additional funding, as many as 300 full-time staff members may be RIFd by October. 70 permanent employees were RIFd on February 4th; more received RIF notices last week. Each reduction in force reduces the ability of the Library to provide the best, and most timely information and services.

POTENTIAL LOSS OF STAFF EXPERTISE

The severe budget cuts at the Library, $9.9 million from Gramm-Rudman-Hollings, on top of the earlier Congressional cut of $8.4 million, will leave the fiscal year 1987 appropriation $18.3 million below the previous year's funding.

We have always believed that "knowledge is power." These cuts suggest a devaluation of knowledge, as if "what you don't know won't hurt you."

Library employees are highly educated, and specialized, guides to the knowledge in the country's greatest library. Congress, other government agencies, national and international organizations and businesses, scholars, students, journalists, and the general public rely on the knowledge of Library staff members to find what they need, when they need it, among the Library's vast holdings.

Separating one reference librarian, for example, from his or her area of expertise buries a part of that treasure. It can take years to develop the experience to unearth it. Meanwhile, the knowledge is lost, just as surely as if whole shelves full of books had been burned, stolen or misplaced.

Books cannot make a difference unless the people who know those books best are available to guide users to them. According to the survey of the Library's users which you mandated, 85 percent of our constituency comes to the Library of Congress because what they need to consult is not available in any other library that is open to them, possibly not available in any other library in the country or the world.

RIFS AND AFFIRMATIVE ACTION

In Research Services' General Reading Rooms Division, which staffs four of the Library's reading rooms, including the main one, over 20 percent of the reference librarians have been RIFd, terminated, or bumped in the last two months alone.

Removing staff expertise from Library users shuts the door on knowledge just as surely as closing Library entrances.

One of the unfortunate tendencies of RIFs is women and minorities suffer disproportionately. RIFs are the least humane method of reducing the work force, according to a GAO report we have cited in our statement.

We don't have full information at this time on the specific affirmative action impact at the Library. The Library didn't provide it to us initially, but is taking a second look at that issue now.

A few observations can be made, however, even without more complete data. We know that older workers are being encouraged to retire, and that the Library was unwilling to respond publicly to your questions on February 20 about what that encouragement entailed.

Also, the only AFSCME 2910 unit member not offered another job is a black female affirmative action participant, and the only staff member being RIFd from the Training and Development Office is Hispanic.

Substantial program cuts occurred in the National Referral Center, where all of the RIFd employees in our unit were over 40, and in the Cataloging Management and Publication Division, where at least 90 percent of the 37 RIFd are black and two are handicapped.

We hope that the Library's budget outlook can be improved so that RIFs and their typical disproportionate impact on minorities and women can be avoided. RIFs may be inevitable.

EEO PROGRESS AT LIBRARY

It is to soon to tell what the results of this process will be, but we are very pleased to have been involved. We hope that the Library's top management will continue to include the unions. We hope that they will strongly support improvements in these areas, and communicate that support to the rest of management.

The Library has made progress in its Target Series since our testimony two years ago. Then, not one minority staff member had been selected; now, seven of the 12 selectees were black, and nine of the 12 were female.

We are glad that the EEO Office is apparently giving priority processing to the oldest complaints in its backlog, although the total EEO complaint backlog is now 160 cases, rather than the 140.

HEALTH AND SAFETY ISSUES

We are pleased at some developments in health and safety, specifically regarding air quality. We negotiated an agreement with Library management that provides excellent protection from airborne asbestos during the renovation of the two older buildings on the Hill, and the Taylor Street Annex.

We are looking forward to working with officials of the National Institute for Occupational Safety and Health, the Architect of the Capitol, and the Library, to resolve air quality problems that have beset the Library's Madison Building since it opened.

The Library's Health Services Office, which was not responsive to individual and union complaints concerning health problems experienced by many Madison Building employees, and did not collate or track them, will need to cooperate with NIOSH.

We know that the Library's Safety Officer will contribute his expertise and knowledge and that all of us together can solve the problem together.

IMPROVEMENTS AT COPYRIGHT OFFICE

We are glad that the Library's Copyright Office management has had the foresight to emphasize cooperation with labor organizations, and the courage to implement real consultative management by negotiating a framework which allows employee participation as a right, not a favor.

Over a four-year period, these two factors have significantly helped the Copyright Office to reduce backlogs, absenteeism and grievances, absorb a 24-percent increase in workload, despite a 19-percent staffing reduction, increase its productivity by 15 percent, and document more than $5 million in savings.

Employees are the experts in the work they do; they share their valuable ideas willingly when unions and management create conditions conducive to real participation in workplace decisions.

We fully support the Copyright Office request to increase the fee schedule and use the fees for the operation of the Copyright Office.

NEGOTIATED AGREEMENTS

We also hope that other Departments of the Library will negotiate consultative management agreements, so that they can benefit from employees' ideas for identifying the most humane and productive ways to cut costs and improve working conditions.

In view of the fact Gramm-Rudman forced the Library to cut 4.3 percent from each Library of Congress appropriation, however, Library management decided each Department and the large salaries and expenses would absorb their 4.3 portion of that funding.

Some Departments could do it without cutting staff, others could not. We would emphasize that it appears likely that more RIFs will be effected if the Library's budget situation is not improved.

If programs must be sharply curtailed or abolished, we think that one important consideration should be whether a given service is performed adequately elsewhere.

NATIONAL REFERRAL CENTER

On the very day that the National Referral Center staff received their RIF notice, a private-sector authority on government information sources was profusely praising the center on the WTTG–TV show, Panorama.

Unfortunately, when the people in the television audience attempt to utilize the services of the Center, where inquiries from the public were increasing by 4,000 a year for the last three years, they will find that most of those services are no longer available as previously.

Now, for the good news. The Library has included union representatives from all three Library unions in RBP Associates' Seminars and assessment of the Library's equal employment and affirmative action problems.

The Library has made progress. We think other offices in the Library could benefit from their approach. Thank you for the opportunity to testify. Any questions?

Mr. Lewis. Welcome. Mr. Fazio, I will return the gavel to you.

Mr. Fazio [presiding]. Thank you very much.

You touched on a number of points we also cited in our hearing, and made a few in addition. We are looking at some outside the hearing process, but we appreciate the attention you have provided during our hearings, and we certainly thank you for your testimony.

I apologize for not being able to hear all of it, but I assure you and others who appeared in my absence that I will certainly take the opportunity to read it.

[The statement of Ms. Joyce follows:]

Statement of AFSCME Local 2910
before the Committee on Appropriations,
Subcommittee on Legislative Branch Appropriations
U. S. House of Representatives
March 4, 1986

Mr. Chairman and Members of the Subcommittee, we thank you on behalf of AFSCME 2910's 1200 bargaining unit members for the opportunity to testify today. We also want to thank you for your generous support of the Library of Congress in the past, and for your continuing support for both the mission of the Library and the wellbeing of its employees.

Our testimony focuses primarily on budget cuts and their implementation by the Library. We will also discuss developments in familiar subjects of past testimony: equal employment opportunity and affirmative action, and health and safety.

Librarian of Congress Daniel Boorstin testified eloquently about the impact of $18 million in budget cuts on the Library's collections and the public's physical access to them. We intend to talk about how such cuts affect Library employees, who provide the essential link between the Library's collections and all those who use them. We believe that the most severe and lasting damage inflicted upon any library, short of burning it down, occurs when the experience and expertise of its staff members is lost. Separating staff experts from those they serve is like tearing the index from a reference book. One retains information, but loses the ability to access it. Staff members are being torn from their positions, and the Library is being defaced as a result. Without additional funding, as many as 300 fulltime staff members may be RIFd by October. Seventy permanent employees were RIFd on February 4th; more received RIF notices last week. There are more to come. Each reduction-in-force reduces the ability of the Library to provide the best, and most timely information and services.

The severe budget cuts at the Library —— $9.9 million from Gramm-Rudman-Hollings, on top of the earlier Congressional cut of $8.4 million —— will leave the FY 1987 appropriation $18.3 million below the previous year's funding. We have always believed that "Knowledge is power." These cuts suggest a devaluation of knowledge, as if "What you don't know won't hurt you."

Library employees are highly educated, and highly specialized, guides to the knowledge in the country's greatest library. Congress, other government agencies, national and international organizations and businesses, scholars, students, journalists, and the general public rely on the knowledge of Library staff members to find what they need, when they need it, among the Library's vast holdings. Separating one reference librarian, for example, from his or her area of expertise, buries a part of that treasure. It can take years to develop the experience to unearth it. Meanwhile, the knowledge is lost —— just as surely as if whole shelves full of books had been burned, stolen, or misplaced. Books cannot make a difference unless the people who know those books best are available to guide users to them. According to the survey of the Library's users which you mandated, 85% of our constituency comes to the Library of Congress because the material they need to consult is not available in any other library that is open to them, possibly not in any other library in the country or the world. In Research Services' General Reading Rooms Division, which staffs 4 of the Library's reading rooms including the main one, over 20% of the reference librarians have been RIFd, terminated or bumped in the last two months alone. Removing staff expertise from Library users shuts the door on knowledge just as surely as closing Library entrances.

Minorities and women suffer disproportionately in RIFs, which tend to be less cost effective than attrition, as well as being the least humane method of reducing the work force, according to a July 24, 1985 General Accounting Office report the the Director of the Office of Management and Budget.[1] AFSCME 2910 tried to determine the affirmative action impact of the Library's first round of RIFs by requesting Library-wide information on the subject. The Library refused to provide it. We are submitting to you the request we gave the Library, along with the extremely incomplete response.[2] We hope that you will share complete information with us, should you be able to secure it.

We will share with you what we already know of the affirmative action impact involved in the February 4th RIF of 70 permanent employees, including a dozen from our bargaining unit. (We do not have enough information to begin to address the impact of last week's RIF of half again that many employees.) Older workers are being encouraged to retire; the Library was unwilling to respond publicly to your questions about what that encouragement entailed, during the Library's February 20th testimony before this Committee. The only AFSCME 2910 unit member not offered another job is a black female affirmative action program participant whose RIF undermines the negotiated Affirmative Action Plan. The only staff member being RIFd from the Staff Training and Development Office is Hispanic. Substantial program cuts occurred in the National Referral Center, where all of the RIFd employees are over 40, and in the Catalog Management and Publication Division, where at least 90% of the 37 RIFd staff members are Black, and two are handicapped. We regret that we are not in a position to provide a more complete picture of this impact.

[1] "Reduction in force can sometimes be more costly to agencies than attrition and furlough," GAO/PEMD-85-6.

[2] We deleted employees' names; there was insufficient time to request the employees' permission to release them for this purpose.

RIFs may be inevitable at the Library in the face of extreme budget cuts. We wonder, however, if RIFs might not be less pervasive if the Library had exercised its options differently. While it is true that Gramm-Rudman-Hollings forced the Library to cut 4.3% from each Library of Congress appropriation, Library management decided that each department in the large Salaries and Expenses appropriation would absorb the 4.3% cut for its portion of that funding. Some departments had expenses that could, however reluctantly, be cut without cutting into staffing. Management Services, for example, closed some entrances, cut back on cleaning, and cut out some vacant positions. Research Services, on the other hand, had little to cut except occupied positions. Once the 4.3% cut per department was adopted, RIFs were utilized to effect the savings.

If programs must be sharply curtailed or abolished, we believe that this should be done only with careful thought and advance planning. One important consideration should be whether a given service is performed adequately elsewhere. On the very day that the National Referral Center staff received their RIF notices, a private sector authority on government information sources was profusely praising the Center on WTTG's TV show "Panorama." Unfortunately, when the people in the television audience attempt to utilize the services of the National Referral Center, they will find that most of those services are no longer available as they were previously at the Library —— or elsewhere. Despite the requirements of the Federal Labor Relations Statute and our Collective Bargaining Agreement, the Library did not bargain the impact of this significant change prior to implementation.

Now for the good news. The Library has included union representatives from all three Library unions in RBP Associates' seminars and assessment of the Library's Equal Employment and Affirmative Action problems. It is too soon to tell what the results of this process will be, but we are very pleased to have been involved. We hope that the Library's top management will continue to include the unions. We hope that they will strongly support improvements in these areas, and communicate that support to the rest of management.

The Library has made progress in its Target Series since our testimony two years ago. Then, not one minority staff member had been selected; now, 7 of the 12 selectees were Black, and 9 of the 12 were female —— according to the respective Semi-Annual Reports on the Affirmative Action Plan.

We're glad that the E.E.O. Office is apparently giving priority processing to the oldest complaints in its backlog, although the total E.E.O. complaint backlog is now 160 cases, rather than the 140 reported at the same time two years ago.

We are pleased at some developments in health and safety, specifically regarding air quality. We negotiated an agreement with Library management that provides excellent protection from airborne asbestos during the renovation of the two older buildings on Capitol Hill, and the Taylor Street Annex which houses the National Library Service for the Blind and Physically Handicapped.

We are looking forward to working with officials of the National Institute for Occupational Safety and Health (NIOSH), the Architect of the Capitol, and the Library, to resolve air quality problems that have beset the Library's Madison Building ever since it opened. NIOSH environmental and epidemiological experts have a big job to do. The Library's Health

Services Office, which was not responsive to individual and union complaints concerning health problems experienced by many Madison Building employees, and did not collate or track them, will need to cooperate with NIOSH. We also hope that the Architect of the Capitol will assist in the study of air quality. We know that the Library's Safety Officer will contribute his expertise and knowledge and that all of us together can solve the problem.

We are glad that the Library's Copyright Office management has had the foresight to emphasize cooperation with labor organizations, and the courage to implement real consultative management by negotiating a framework which allows employee participation as a right, not a favor. Over a four year period, these two factors have significantly helped the Copyright Office to reduce backlogs, absenteeism and grievances, absorb a 24% increase in workload despite a 19% staffing reduction, increase its productivity by 15%, and document more than $5 million in savings. Employees are the experts in the work they do; they share their valuable ideas willingly when unions and management create conditions conducive to real participation in workplace decisions. We fully support the Copyright Office request to increase the fee schedule and use the fees for the operation of the Copyright Office. We also hope that other Departments of the Library will negotiate consultative management agreements, so that they can benefit from employees' ideas for identifying the most humane and productive ways to cut costs and improve working conditions.

Again, we thank you for the opportunity to testify here today. We would be pleased to answer any questions you may have, and to provide any documentation accessible to us.

AFSCME
LOCAL 2910

LIBRARY OF CONGRESS - LA 5125
WASHINGTON, D. C. 20540
(202) 287-6493

RECEIVED
LABOR RELATIONS OFFICE
FEB 25 1986

February 24, 1986

TO: Marty O'Donoghue
Labor Relations Officer
FR: Mary Ann Joyce *mj*
Guild President
RE: Information request per 5 USC 7114 regarding affirmative action impact of RIF

Please supply the following information regarding the incumbent of each abolished position for which RIF notices were distributed on 2/4/86, and indicate which of these positions had most recently been posted as affirmative action positions, and which incumbents have not received an offer of employment to date: name, Library of Congress computation date, job series, grade, job title, sex, race, age, national origin, religion, and handicapping condition. List also the series, grade, and job title of the position offered to each of these incumbents. Please supply this information by close of business Friday, 2/28/86, so that we can prepare our Congressional testimony on a timely basis, as we plan to include information from this request in our testimony.

Thanks in advance for your cooperation.

LIBRARY OF CONGRESS PROFESSIONAL GUILD

rec'd Guild
2/27/86 -

LABOR RELATIONS OFFICE
FEB 27 1986
98

UNITED STATES GOVERNMENT

Memorandum

LIBRARY OF CONGRESS

TO :	Mary Ann Joyce, Guild President AFSCME 2910	DATE:
VIA :	Martin F. O'Donoghue, Chief, Labor Relations Office	
FROM :	David D. Lombardo, Chief Recruitment and Placement Office	
SUBJECT:	Information Regarding Reduction-in-Force	

The attached list provides information requested in your memo dated February 24, 1986. We do not have information on national origin, religion, and handicapping conditions.

Attachment

BUY U.S. SAVINGS BONDS THROUGH THE PAYROLL PLAN

Name	Service Computation Date	Series/ Grade	Title	Race	Age	Sex
	9/13/76	1410-13	Librarian (Coll. Dev. Specialist)	White	35	F
	3/4/80	1035-12 (PT)	Planning Assistant	White	32	F
	[illegible]	1410-11	Reference Librarian	White	31	F
	9/24/84	1410-11	Reference Librarian	White	36	F
	6/7/83	1410-7	Reference Librarian	Black	25	F* **
	6/20/83	1410-12	Serial Reference Spec.	White	30	M
	6/6/66	1412-13	Technical Info. Spec. (Biol. Sci.)	Black	48	M
	2/7/57	1412-12	Technical Info. Spec.	White	58	M
	2/21/67	1412-12	Technical Info. Spec.	White	66	F
	11/14/72	1412-12	Technical Info. Spec.	White	46	M
	3/24/80	1412-12	Technical Info. Spec.	Black	43	F
	6/21/66	1082-12	Writer-Editor	White	64	M

* Affirmative Action position.
** No offer as of 2/26/86

NATIONAL HUMANITIES ALLIANCE

WITNESSES

ELIZABETH GRIFFITHS, HISTORIAN

Mr. **Fazio**. I welcome Elizabeth Griffiths, Historian, who is testifying today on behalf of the National Humanities Alliance.

Ms. **Griffiths**. Mr. Fazio, I am not going tc read my statement however. I have submitted it for the record. I want to thank you for your courtesy, and your time, this afternoon. I was asked to represent the National Humanities Alliance as a junior scholar of those untenured, only briefly published users of the Library.

One could call us addicts. We are the ones, along with others, who are touched most immediately by the cuts. I think this committee has been on record for a long time as being supportive and sensitive to the needs of the Library of Congress and the other resources.

Mr. Jefferson knew what he was doing, when he left the Congress his Library. He expected it to be enjoyed and enhanced. You all understand the connection that we have all emphasized this afternoon between knowledge and democracy and access and freedom, and I know you will do what you can for us.

Mr. **Lewis**. Sounds like words of a politician, only better.

Mr. **Fazio**. It's difficult to come through now.

Ms. **Griffiths**. Of the approximate 12,000 Members and Senators mentioned in the hearing on the Joint Committee on Printing, I can point out only 119 are women.

Mr. **Lewis**. Thank you.

Mr. **Fazio**. Thank you very much.

[The statements of Ms. Griffiths follow:]

The National Humanities Alliance

P O Box 2293 Hoya Station Washington DC 20057 (202) 625-4039

Statement on behalf of the National Humanities Alliance

by Elizabeth Griffiths

before the

Subcommittee on Legislative Branch Appropriations

U. S. House of Representatives

March 4, 1986

I am appearing before the Subcommittee as a scholar and researcher, and in behalf of the 57 associations and organizations of the National Humanities Alliance. I, personally, and NHA as the representative of all scholars, researchers, museums, libraries and colleges and universities, strongly support the budget request of the Library of Congress for Fiscal Year 1987.

In earlier testimony, Daniel Boorstin, Librarian of Congress, eloquently stated the loss for the intellectual life of the Nation as a result of budget reductions when he said: "...all the Library of Congress, our collections , our staff are dedicated to the proposition that free government is based on free, copious and current access to knowledge. The situation of your, of our Library is serious, it is even dangerous, and could become tragic for our nation, the Congress, and the whole world of learning."

Dr. Boorstin further stated that "the greatest of republics has been served by the greatest of the world's libraries. But this will not continue to be possible, unless the Congress takes measures to repair the damage done and to be done by the vast and unprecedented cuts in the Library's budget."

As a scholar, I am most concerned with the damage that will be done to the public service, acquisition, and dissemination of materials and references of the Library of Congress if Congress cuts back on the Library's requested budget levels for the 1987 fiscal year. The effects of the 1986 budget trimming for the Library of Congress, $8.3 million, are already being felt. And now that the Gramm-Rudman-Hollings cuts, an additional $9.9 million, have been taken, we will be experiencing even more severe reduction of service.

Dr. Boorstin has already announced the cutback of hours of service to the public in the general reading rooms through elimination of all Sunday, holiday, and evening hours except Wednesday.

This is the most dramatic cut in service since Congress appropriated funds in 1898 for the Library of Congress to provide evening hours for the public. At the end of the 19th Century, Librarian of Congress John Russell Young commented that evening hours at the Library are important because they serve "mainly students with serious aims who explored books of history, science, military and naval works, and much pertaining to the Antilles, Manila and Spain." He added that "the action of Congress throws open to the people the opportunity of a university education."

Evening hours allow scholars who teach or work during the days at other tasks to continue to engage in research in this great insitution, and to use one of the world's finest library collections.

Every Congress in the last 88 years has guaranteed adequate appropriations to allow this important service. I urge the 99th Congress to restore funding for evening, weekend, and holiday hours.

Thousands of scholars come to Washington yearly to use the collections of the Library of Congress. Hundreds of books, articles, monographs, essays, columns, and reports published each year have been based on research from material in the Library of Congress. Scholars and writers should continue to have free and open access to the general reading rooms, the Law Library, the Science and Technology Library, and other specialized collections.

The Library has special importance for scholars and students in Washington area colleges and universities. Most area higher education institutions not only consider the Library an extension of their reference and library facilities, but also build their own collections around the LC collections. This has allowed area universities to conserve library funds and to increase their holdings in specialized fields. Access to the Library of Congress, therefore, is crucial for expanding the quality of higher education in the Washington area.

Scholars, researchers and students learn about and gain access to newly published works through the LC catalog of acquisitions. Staff reductions brought about by cuts in 1986 funding of the Library will result in the cataloging of 25,000 fewer books. If books and materials are not cataloged and the catalog disseminated, they essentially do not exist. Twenty-five thousand books, therefore, will not exist for scholars to use.

Current cuts in the Library of Congress budget will mean that the purchase of new research books, serials and periodicals, microforms, maps and recordings are reduced by 22 percent.

Existing gaps in the current collection will not be filled and purchase of rare and unique materials will be minimal. This is a dramatic reduction in Library acquisition and a dangerous diminution of knowledge.

A few days ago the Secretary of Education released a report outlining the important elements of effective teaching and learning. Encouragement of reading and an increased emphasis on the humanities are two key elements for producing well-educated students. The Library of Congress is the symbol of humanities education in this country through its preservation of the past and its collection and dissemination of knowledge about our culture. This is no time to weaken this important institution. If anything, we need for the Library of Congress to do more, to be even stronger.

I join Daniel Boorstin and my other colleagues here today in asking this Committee and this Congress to "restore your great resource of knowledge, your Library, to its stature, its progress, and its promise."

STATEMENT OF BEHALF OF THE NATIONAL HUMANITIES ALLIANCE

by ELI~~S~~ZABETH GRIFFITHS

Before the

Subcommittee on Legislative Branch Appropriations
U.S. House of Representatives

March 4, 1986

I have been asked to appear on behalf of the 57 organizations and associations represented by the National Humanities Alliance. The honor is outweighed by the burden of speaking on behalf of all the scholars, researchers, museums, libraries, colleges and universities, all of whom strongly support the budget request of the Library of Congress for FY'87 and oppose any cuts in current funding. These oral remarks will amend the official statement submitted earlier.

I am an historian, teacher, author, an untenured adjunct professor--what is known in my profession as a "junior scholar." Oxford University Press published my first book, a biography of Elizabeth Cady Stanton acclaimed as one of the best books of 1984 by the New York Times, and I have contracts for two others. I support my research with part-time teaching, lecture fees, and fellowship grants, most recently the Jameson Fellowship jointly funded by the American Historical Association and the Library of Congress.

What connects me to the "senior scholars" like James McGregor Burns, Barbara Tuchman, Carl Degler, Gerda Lerner, Louis Harlan, and Daniel Boorstin, whose career paths I hope to follow, is that we, like the institutional constitiencies of the National Humanities Alliance, are all "users" of the "L.C."

Every Library of Congress user, with the exception of the Congress, will be affected by the cuts being proposed. The changes already odered by Dr. Boorstin will close the general reading rooms on Sundays and holidays, as well as end evening hours except of Wednesdays. The specialized reading rooms -- for manuscripts, newspapers, photographs -- are already closed, even on Wednesday evenings. In addition, critical materials will not be collected, catalogued, or preserved.

Since the Library of Congress is your library, its ricnes and resources are familiar to you. After all, you and your staffs and relatives are the only people allowed to take books out of the Library of Congress, and your access will not be limited by the proposed cuts. For the rest of us, some are granted limited permission to roam the stacks; the majority have to be satisfied with the access provided by the centralcatalogues and computers, and the patience and efficiency of the reading room staff. It can take two hours to retreive one book, or to receive a "not on the shelf" slip. Books cannot be requested within two hours of closing.

The constituency I represent, especially younger, unsupported scholars, would argue that services and staffing should be expanded rather than cut back, so that every division of the Library would be open every day of the week, into the evening.

But Dr. Boorstin doesn't ask for increases and has tried to cooperate with budgetary pressures. He had already trimmed and skimped and cut cautiously until no fat remains. Instead of being congratulated and rewarded for his careful stewardship, Dr. Boorstin has been asked to cut to the marrow. Indeed, the cuts demanded seem to single out this institution more than others. I understand from the records (available at the L.C.) that this subcommittee has been sympathetic and supportive in the past. All of us represented by the National Humanities Alliance hope you will be again.

Every year some of your colleagues poke fun at some of the arcane research subjects undertaken by other government agencies at taxpayer expense: the mating habits of white-faced sheep, or the magnetic snouts of migratory animals or what George Washington ate for breakfast. A list of the questions pursued by researchers at the Library of Congress might also seem ridiculous. But information is never superfluous, especially in a democracy.

Our unique system of government depends on an educated electorate, and well-informed leaders. It depends on open access to information and free libraries, as our forefathers well knew.

One might argue that other problems--like defense strategy or environmental safeguards or the homeless or space programs--should take priority over the concerns of the Library of Congress and its users about hours or access or acquisitions. The members of the National Humanities Alliance and I disagree. Without continued acquisition of the information collected by the Libary of Congress, without free access to that information by everyone, from the Congress to scholars, we will not be able to address any of the so-called larger issues with success. Our leaders and citizens will lack the knowledge necessary to find the solutions.

Thomas Jefferson knew what he was doing when he gave the nation and the Congress his library. Jefferson more than most understood the connection between learning and democracy, between libraries and freedom.

There is no other library like yours. Jefferson gave it to you to enjoy and enhabce. Any cutback in its funding will cause a serious setback in the Library's services: unacquired resources, uncatalogued materials, unpreserved documents, unanswered queries, closed doors and limited access. The anticipated cuts are unfounded and unfair. What's worse, undercutting the Library of Congress diminishes our ability to solve problems and dilutes the strength of our democracy.

Mr. Fazio. We have completed out list of public witnesses. Are there others here who wish to testify that perhaps didn't notify us ahead of time?

I am very appreciative for your testimony, and I do apologize for not being able to be here for the entire hearing.

We have completed the schedule of hearings. Thank you all very much.

ADDITIONAL TESTIMONY

Mr. Fazio. We have received written testimony from several organizations. These letters and statements will be entered into the record.

BLACK EMPLOYEES OF THE LIBRARY OF CONGRESS (BELC)

BELC EELC

ETHNIC EMPLOYEES OF THE LIBRARY OF CONGRESS (EELC)

LIBRARY OF CONGRESS, WASHINGTON, D.C. 20540

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GEORGE E. PERRY
President, EELC
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6100 Eastview Street
Bethesda, MD 20817
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TESTIMONY OF HOWARD R. L. COOK, EXECUTIVE DIRECTOR, BLACK EMPLOYEES OF THE LIBRARY OF CONGRESS, AND VICE PRESIDENT, ETHNIC EMPLOYEES OF THE LIBRARY OF CONGRESS, AND GEORGE E. PERRY, PRESIDENT, ETHNIC EMPLOYEES OF THE LIBRARY OF CONGRESS, AND GENERAL COUNSELOR, BLACK EMPLOYEES OF THE LIBRARY OF CONGRESS, BEFORE THE COMMITTEE ON APPROPRIATIONS, SUBCOMMITTEE ON LEGISLATIVE BRANCH APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, MARCH 4, 1986

Mr. Chairman and Members of the Subcommittee:

We want to thank you for this opportunity to appear before this Subcommittee to describe the needs of the Library of Congress for FY 1987, as we discern those needs.

The question for this Subcommittee on the occasion of our appearance to discuss the budget for the Library of Congress for the Fiscal Year 1987 is

Whether or not that Agency is honest when it does not permit its two minority employee organizations to function within its walls.

Is that Agency also honest and a Fortress of Freedom when it leaves the impression through a spokesman on its behalf that equal employment opportunities are available to minority employees?

The answer to the question is that the Agency is not honest and it is not a Fortress of Freedom when it knows that 114 new complaints of discrimination were filed with its Equal Employment Opportunities Complaints Office from September 30th 1984 to October 1, 1985.

These two questions go directly to the point of whether or not appropriated funds are being honestly used.

There were 169 discrimination complaints pending at the beginning of Fiscal Year 1985.

The Equal Employment Opportunity Complaints Office received 33 new complaints from October 1, 1985 to January 31, 1986.

There were 153 complaints of discrimination pending as of January 1986.

The workload of pending discrimination complaints with the Equal Employment Opportunity Complaints Office as of this writing totals 193 complaints.

On an average 4 to 5 employees are involved in each complaint of discrimination. It is alarming that in the Library of Congress as of this date the workload of pending discrimination complaints numbers 193 which as calculated above could involve as many as 900 to 1,000 employees or about 20% of the entire Library of Congress staff. This certainly represents a crisis in the use and management of appropriated funds provided the Library of Congress administration.

Information to date leaves us extremely concerned about the impact of Gramm - Rudman - Hollings on minorities and their employment at the Library of Congress. The reason for our concern is that the information supplied to us has indicated that minorities are being more severely impacted by Gramm - Rudman - Hollings than are majority employees. This is particularly true because the lower-graded employees who comprise the bulk of the minorities have been hardest hit. We urge upon you to exercise your oversight authority to assure that minorities are not disproportionately impacted by the current wave of budget cuts. Careful consideration should be taken to assure that the last hired - first fired syndrome as it relates to minorities does not occur. The information we have also indicates that the one example given by the Library of Congress administration demonstrating that management was being cut also was that of a Black woman.

Suggestionsthat we have as a way of saving money in the Library of Congress would be to streamline several offices which have the same or comlementary functions into one office. These offices are: The Staff Relations Office, Labor Relations Office, Office of Counsel to the Director of Personnel, Office of General Counsel and the Health Office.

The Staff Relations Office, the Labor Relations Office, the Office of Counsel to the Director of Personnel and the Office of General Counsel could all be placed under one chief rather than as it is now - four different chiefs.

The Health Office could be staffed by two nurses and one support person eliminating the need for a full-time physician who serves as chief of the Health Office. The reason this could be accomplished without difficulty is because the Health Office does not become involved with actual treatment of employees by the Library's physician.

The Congress could also save money by not overloading the Library's Equal Employment Opportunity Complaints Office with additional disfunctioning staff. We regret to tell you that the efforts made by Congressman Hawkins to add staff to the Equal Employment Opportunity Complaints Office appears to have done very little if any good. The reason Congressman Hawkins' efforts failed is because there was no follow-up oversight to back the efforts with commitment and will.

We have argued in the past that it is not the number of staff but rather the will of the Librarian and his administration to assure Equal Employment Opportunity by permitting the Equal Employment Opportunity Complaints Office to function as it should according to law.

This is just one group of suggestions.

There are other areas where lots of fat exists and economies could be made without doing any damage to the mission of the Library of Congress to serve the Congress and the public.

We have noticed so far that the economies have been taken in areas affecting the public in an attempt to apply political pressure on the Congress by causing constituents to be offended by the disruptions.

These economies have occurred by closing the doors, shortening the hours of operation and by elimination of certain telephone reference assistance to both the Congress and the public. We strongly believe that substantial economies can be achieved in the operation of the Library of Congress without any cuts whatsoever in the services to the Congress and the public.

The general theme of knowledge and the existence of knowledge in history has been discussed extensively as a reason for opposing cuts in the Library budget.

We agree that knowledge is all-important but disagree with the idea that all materials coming to the Library contain knowledge important or unique enough to require expenditure of Federal funds for the processing and maintenance of these materials. A large amount of the materials which come to the Library of Congress is pure junk. The claim put forth that budgetary cuts would cause the flow of knowledge to be damaged to the point of destroying our nation cannot be accepted as reality. This is true because there has to be a method of selecting out the real knowledge from the ephemeral knowledge.

Great issue has been made out of the availability of the Playboy magazine in braille. The big fuss is about First Amendment rights. We strongly believe that both the Librarian of Congress who appears to stand on both sides of the issue and members of Congress who stand with him in the invoking of the First Amendment demonstrate hypocrisy.

This hypocrisy is clearly brought to mind when realizing that attempts by employees of the Library of Congress have been made to expose fraud and corruption at the Library of Congress to Members of Congress

only to be cut down by the Library administration by denial of
the right to earn a livelihood.
No Congressional Members
or Library of Congress officials
have bothered to file any
friend-of-the-court (amicus curiae) briefs on behalf of
the messengers of truth.
There must be efforts made by Members of Congress to assure
First Amendment protections
to whistleblowers at the Library of Congress
equal to that protection sought for Playboy magazine
which contains material objectionable
to certain segments of society.

The above testimony was submitted to
the House Subcommittee on Legislative
Branch Appropriations on February 27, 1986

BLACK EMPLOYEES OF THE
LIBRARY OF CONGRESS (BELC)

BELC EELC

ETHNIC EMPLOYEES OF THE
LIBRARY OF CONGRESS (EELC)

LIBRARY OF CONGRESS, WASHINGTON, D.C. 20540

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March 10, 1986

MAR 12 1986

Honorable Vic Fazio
Chairman
Subcommittee on Legislative Appropriations
Committee on Appropriations
U.S. House of Representatives
H-302, U.S. Capitol
Washington, D.C. 20515

Dear Chairman Fazio:

Enclosed is a copy of a Letter to the Editor
of the Washington Post
entitled "Library Hoopla"
written by the author of 15 nonfiction books
Mr. Joseph C. Goulden.
Mr. Goulden's letter appeared today
in The Washington Post (March 10, 1986, page A14).

On behalf of BELC-EELC
I am submitting to your Subcommittee
the above letter to be included in
the permanent subcommittee record of
the Cook and Perry BELC-EELC testimony
on the Library of Congress budget for FY 1987 -
as Exhibit 1 to our testimony -
to be inserted and published
right at the end of our March 4, 1986 testimony
which was submitted to your Subcommittee in advance -
on February 27, 1986.

Sincerely,

George E. Perry

George E. Perry
President, EELC
General Counselor, BELC

cc: 1. Mr. Howard R. L. Cook
2. Mr. Joseph C. Goulden

Enclosure

THE WASHINGTON POST MONDAY, MARCH 10, 1986

Library Hoopla

As the author of 15 nonfiction books, I claim a tolerable familiarity with libraries both in the District of Columbia and elsewhere. Hence I have followed with interest the hoopla about the closing of the Library of Congress on Sundays because of the Gramm-Rudman-Hollings Act.

What these whines overlook is that the Library of Congress is the worst-run institution of its sort in the English-speaking world. That the library cannot absorb a personnel cut of 300 persons of a staff of 5,200 without resorting to the Sunday closings speaks eloquently of library management. This does not surprise me. Years ago I gave up on the Library of Congress as a research facility, except as a source of last resort. One day stands out in memory: of 17 call slips, 13 came back "not on shelf."

I was last in the Library of Congress in January. Because of the abandonment of the card-file system, I was told to use a computer to search for recent titles. Fifteen persons were ahead of me, waiting their turns at the terminals.

I did not wait. I drove to a suburban library. There were no lines at the card-files. This library is open on Sundays. It did not use its funds to pay for a computer system. This library deals in books and the people who use them.

Might I propose an interim solution, based on what I have read in the newspaper? Susan Sheehan wrote in the Close to Home section March 2 that as a New Yorker magazine writer, she uses the library for an office. Fine. As a free-lance writer, I tip my hat at her ingenuity. My office costs $764.48 a month. My taxes support Mrs. Sheehan's free office space.

If she is so insistent on Sunday hours for the library, surely she would consent to a modest user's fee. Based on my own office cost, I compute her share to be $9,173.96 annually. Should the Library of Congress adopt a user's fee system, a system of exemptions could be devised for the truly impoverished. I would hope the category would not include New Yorker writers or the undersigned.

The Sunday closings are at once a brilliant public relations show and a sham. Director Daniel Boorstin is being asked to squeeze a bit less than a nickel out of each library dollar. A manager with any fiscal sense could do so. Mr. Boorstin prefers the sob-sister approach. I shall continue to do my business with a library across the river.

JOSEPH C. GOULDEN
Washington

The Authors League of America, Inc.
234 WEST 44TH STREET • NEW YORK, N.Y. 10036 • TELEPHONE (212) 391-9198

March 4, 1986

The Honorable Vic Fazio
Chairman
Subcommittee on the Legislative Branch
Committee on Appropriations
House of Representatives
Washington, D.C. 20515

Dear Chairman Fazio:

On behalf of The Authors League of America, and its 14,000 members, we urge that Congress restore the $18 million cut from the Library of Congress's $238 million budget. The loss of this sum would drastically reduce the Library's acquisitions of books, hours of service, and many other vital activities.

As professional authors and playwrights, we appreciate how essential it is to maintain the Library's functions at their current level, and allow for important growth. But the Library's services to writers cannot compare with the indispensible contributions which it makes to scholarship, as well as the physical and social sciences; also the nation's vast cultural and intellectual activities. The Library of Congress is this country's paramount resource for research in every field of interest and activity essential to its security, well being, and progress.

The United States cannot afford this reduction in the Library's budget. If $18 million has to be found, certainly there are many areas where savings could be made with far less damage to the public interest. Additional revenue can be found to avoid hobbling the crucial functions of the world's greatest library.

Respectfully yours,

Garson Kanin

Garson Kanin, President
The Authors League of America, Inc.

John Hersey
Madeleine L'Engle
Arthur Miller
Peter Stone

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FOR IMMEDIATE RELEASE CONTACT: RICHARD P. KLEEMAN

STATEMENT OF THE ASSOCIATION OF AMERICAN PUBLISHERS, INC. TO THE LEGISLATIVE BRANCH SUBCOMMITTEE, HOUSE COMMITTEE ON APPROPRIATIONS

Speaking for the book publishing industry, the Association of American Publishers wishes to join other members of the nation's book community--authors, scholars, and librarians--in deploring the deep cuts in the budget for the Library of Congress and in urging that they be alleviated by your Subcommittee. While we recognize that, for better or worse, Gramm-Rudman-Hollings mandates substantial cutbacks in federal programs, we regard the double-dose of budget reductions--first by Congress and thereafter under Gramm-Rudman-Hollings--as entirely excessive and, in the words of Librarian of Congress Daniel J. Boorstin, "antidemocratic and antiknowledge." The publishing and library communities, while not always in total agreement, stand solidly together on this and other issues affecting intellectual freedom and creative endeavors: we believe that the deep reductions in the Library of Congress budget would have a profoundly damaging effect on both.

Lest our protest be viewed as self-serving regarding cuts in funds for the acquisition of books and other materials, let us summarize briefly some of the other drastic effects on the reading public at large of the impending curbs on Library activities:

*Authors and researchers will be hampered in their work by the curtailment of weekday hours and the Sunday/holiday closings. As Dr. Boorstin pointed out, this will make the Library virtually inaccessible to those who must work at regular daytime jobs.

*Not only the purchase of books, but their cataloging and classification--including the Cataloging in Publication program so popular with publishers--will suffer. Dr. Beverly Lynch, President of the American Library Association, estimated that, with the 22 per cent cutback imposed on these programs, at least 25,000 fewer books would be cataloged over a year's time.

*Copyright, considered by many to be the lifeblood of intellectual activity, is a function of the Library of Congress. Register of Copyrights Ralph Oman has estimated that his office alone would suffer a $750,000 reduction under the double cutback faced by the Library. The resulting curtailment of staff and activities would place added burdens on an already overloaded and crucially important system.

*Furthermore, the U.S. Government is just beginning fully to appreciate the critical role of copyright industries in our increasingly information-oriented economy. U.S. trade in copyrighted works is, to an ever-increasing degree, crucial to our position in world markets. The copyright and information-related industries contributed more than $153 billion to the U.S. economy in 1982 and the "potential for export growth in goods and services produced by the copyright industry is likely the highest sector in the U.S. economy," according to a recent report to the U.S. Trade Representative. Any cutback in the strength and efficiency of the Copyright Office which would undermine this nation's copyright system would be, to say the least, a foolish economy.

*Publishers traditionally waive royalties on reproduction of books and magazines and other materials for use by the blind and physically handicapped. The budget for this invaluable Library of Congress service would be reduced 22 percent; according to some estimates, this means that the blind and handicapped would be deprived of obtaining some 80,000 new books in braille or "talking book" form.

*Surely any reduction in the Library's pioneering efforts to find new ways to preserve fragile printed matter would be short-sighted, yet the budget for preservation faces a reduction of 18.4 per cent.

In short, the book publishing community cannot stand by while a mistaken sense of budgetary priorities is allowed to contribute to the deterioration of the leading library of our nation--and of the free world. While we leave to budgetary experts the precise sums needed to maintain the high quality of the Library of Congress, we generally support what Dr. Lynch--speaking for some 42,000 members of the library community--called the Library's "revised and most reasonable request" to restore the most severe cuts and to enable the Library of Congress "barely to maintain current services."

We cannot, in closing, find words any more eloquent to describe the present crisis than those used by Librarian Boorstin in his thoughtful and deeply-felt appeal to you last month:

> "The strength--and the weakness--of the cause which I espouse on behalf of the Congress' Library and the World of Learning is precisely that we do not speak for any special interest or any one party or opinion. The cause of knowledge is the most general of all interests for a free people. The beneficiaries of knowledge, of the information supplied to Congress and the free explorers of knowledge, are everywhere. Their largest numbers are still unborn. We will fail in our duty to our posterity if we do not hand on to them the fully-stocked, properly organized, treasure of wisdom of the past which it has taken us two centuries to accumulate."

3/19/86

NATIONAL
WRITERS
UNION

STATEMENT ON LIBRARY OF CONGRESS BUDGET CUTS

BY

THE NATIONAL WRITERS UNION

ANDREA EAGAN, PRESIDENT

13 ASTOR PLACE
SEVENTH FLOOR
NEW YORK CITY, NY 10003
(212) 254-0279

53-700 O—86——29

The National Writers Union appreciates this opportunity to comment on the cuts in the Library of Congress funds in the Reagan Administration's fiscal 1987 budget. The National Writers Union was founded four years ago to improve working conditions and protect the interests and rights of writers in the United States. Since then we have organized over 2,500 writers. Many of our members are highly acclaimed, best selling authors such as John Kenneth Galbraith, Seymour Hersh, Judith Rossner, Kurt Vonnegut and Alice Walker. Many others are journalists, poets and novelists, less well known perhaps, but who write regularly for major magazines and whose books are brought out by distinguished publishers.

All of our members, both and famous and still to be recognized, stand to be hurt substantially by reductions in the Library of Congress budget. To understand why, it's necessary to consider the economic situation of writers. Some 25,000 Americans claim to be free lance writers. Yet only 300 of them are able to support themselves solely by their craft. In the last 20 years many Americans have seen their real incomes increase but this rising prosperity has passed writers by. Book advances which writers rely on to support themselves and undertake the research necessary to complete their work have not kept pace with inflation. Instead, book publishers lowering their advances, royalty rates and reprint fees. Hardly a single major magazine has increased its rates since 1960. In real terms they are paying far, far less than they were in 1960. According to a survey by the American Society of Journalists and Authors, Reader's Digest now pays in constant dollars only 49 per cent of its 1960 fees. Leading women's magazines, such as Cosmopolitan, McCall's and Redbook, which purchase a substantial number of free lance article, have also failed to raise their rates with inflation. As a result their actual fees have declined by 46 to 49 per cent. Only The New York Times Sunday Magazine among major publications has actually raised its fees and its increase has been a mere 32 per cent.

Writers are finding it increasingly difficult to survive economically. The curtailment of hours and services at the Library of Congress--which will be the inevitable result of these budget cuts--will cause even more hardship for our members. The writers, students and scholars of America have always felt enriched by the Library of Congress collection, by the fine service offered by its employees and by the generous hours during which it was open, thus making it available to those who had to work by day and research and write on nights and weekends. To restrict these hours and services is to foreclose opportunities for serious intellectual endeavors by a wide variety of America's citizens. Many of our members will be unable to take the research that is vital to their writing and livelihoods.

It's easy to calculate the savings in federal spending from these budget cuts. It's impossible for us to quantify the articles and books that will go unwritten as a result but we have no doubt that many will. Writers will loose financially but the reading public will loose as well.

We are also dismayed by cuts in the Library of Congress' preservation programs. The library was created to be a depository of historical documents and has carried out its mission well. Many of these documents are simply unavailable elsewhere. If they are allowed to disintegrate, historical research and the interpretation of events in our nation's past will be effected forever. The budget savings that would be achieved by these cuts would be, to put it mildly, extremely short-sighted. The savings are small but the impact would reverberate throughout our history.

The effect of these cuts in the Library of Congress' activities are magnified by the cuts that are also being made at public libraries around the country. The cuts at the local level have made our members even more reliant on our national library. To give a personal example, I was recently researching the history of childbirth in the United States. I started out doing my research at the New York Public Library which is the best public library in the country but because of cutbacks in their programs, the material I urgently needed was unavailable. I came down from New York to complete my research at the Library of Congress. I found everything I needed without difficulty in just half a day and I was able to complete my work on time. However, it is costly for writers to travel and the expense of doing research away from home reduces their earnings. Cutbacks at the Library of Congress would reduce the income of writers who must come to Washington to do research.

The National Writers Union, on behalf of America's authors, is appealing to Congress to restore these budget cuts. We believe that it is important to keep the Library of Congress functioning for the benefit of all our citizens.

WASHINGTON OFFICE

AMERICAN LIBRARY ASSOCIATION

BOX 54 • 110 MARYLAND AVENUE, N.E. • WASHINGTON, D. C. 20002 • (202) 547-4440

March 19, 1986

The Honorable Vic Fazio, Chairman
Legislative Appropriations Subcommittee
Committee on Appropriations
U. S. House of Representatives
Washington, D. C. 20515

Dear Mr. Fazio:

This letter is submitted on behalf of the American Library Association, a nonprofit educational organization of more than 42,000 librarians, educators, trustees, and other friends of libraries, dedicated to the improvement of libraries and information services for all people. We request that it be made part of the hearing record on appropriations for the Government Printing Office.

We believe that the American public should have access to materials printed at public expense and are keenly aware of the value of government publications to their many users, such as the general public, business, government policy makers, and the academic community. At this time when the Government Printing Office is commemorating the 125th anniversary of its founding, we were pleased to see the President's statement of congratulations. He also recognizes the value of government publications to an informed citizenry:

> Our Founding Fathers knew that such a free society can be preserved only if its citizens are kept informed about their government. For 125 years, the GPO has served our democratic process by printing, binding, and distributing the vast range of publications and other information produced by the Federal government, assuring the maintenance of an enlightened and vigilant public.

Cutbacks in Congressional Printing and Binding. Yet the preservation of a free society through an informed citizenry is in jeopardy because of congressionally mandated budget cuts. ALA objects to the recently announced restrictions on public access to basic Congressional documents required to participate in government. The Joint Committee on Printing, in a March 14 letter to every Representative and Senator, outlined the effects of the Gramm-Rudman-Hollings 4.3 percent cut as of March 1 on the printing and distribution of Congressional publications. The item with the greatest impact on the public is that "in the near future" the House and Senate Document Rooms will be closed to the public. In addition, copies of bills, reports, committee prints, hearings records, etc., provided for Congressional use will be reduced to such an extent that legislators will be discouraged from providing copies of such documents to their constituents.

For all such Congressional documents, members of the public will be referred to Government Printing Office bookstores to purchase desired items. This means that participation in an active, meaningful and timely way in the federal legislative process will now depend on the ability to pay. It also raises questions about whether GPO would have adequate copies of bills, etc., available to the public as promptly as to Congress. Sometimes very crucial budget, deficit control, or other legislation is available in printed form only a very short time before floor action. The ability to participate in the democratic process could be restricted by even a short delay in the availability of documents, as well as by price. For the last few years, the bulkier bills and reports have been unavailable to the public in the document rooms, but only by purchase through GPO. For instance, the House tax reform bill and accompanying report cost $44.00. If the GPO price scale is based on length, are individuals and citizen groups to be precluded from timely participation because the provision of concern is embedded in an omnibus measure? In addition, for many purposes, an official copy is needed; relying on a private sector online database version of a bill or law may be unsatisfactory.

ALA recognizes that the 4.3 percent Gramm-Rudman-Hollings cut for fiscal 1986 is a fact of life, but there must be ways to comply with it less damaging to the democratic process. Restricting these documents to those who can pay can easily evolve into a stratified society of the information "haves" and "have-nots." Such a gap unfairly limits individual opportunity in our free and democratic society.

Since 1981, ALA has protested the escalating cost of government publications. Because the cost of an annual subscription to the Federal Register increased by 300 percent (from $75 to $300) and to the Congressional Record by 191 percent (from $75 to $218), many small businesses, hard-pressed public, college and school libraries and many of the public at large cannot afford these essential government documents.

Executive Agency Information Cutbacks. Now executive agencies are using the rising cost of Federal Register publication and budgetary constraints as rationale for cutting the information made available in the Federal Register. What kind of government information is disappearing and what does it cost when the private sector takes over?

- The Federal Communications Commission (FCC) issued a news release on February 24 announcing that effective immediately it will publish summaries instead of the full texts of Notices of Proposed Rulemaking, rulemaking decisions and policy statements in the Federal Register. The FCC decided that "publication of detailed summaries would be a reasonable and cost-efficient way of apprising the general public of its actions." Federal Register publication of the actual texts of final rules will be continued. Budgetary constraints and the rising cost of Federal Register publication were given as the rationale for the cuts. To cut publication costs further, the FCC also amended its rules to enable it to reduce the amount of material published in FCC Reports. Hereafter, only those rulemaking decisions and policy statements summarized in the Federal Register and not published in Pike and Fischer (a private sector service which costs $1,875 to initiate and $1,375 for an annual subscription) will be published in FCC Reports.

- A January 30 news release from the Federal Election Commission (FEC) announced that "drastically curtailed public disclosure of federal campaign finance information will result from a series of budget cuts forced upon the FEC." Effective March 1, the computerization of itemized information filed by political committees on the '86 election will be reduced severely, although candidate and political committee reports will continue to be available on microfilm for public review and copying. Among the effects of the reduction in computerization will be a reduction in timeliness, since data entry time probably will double; accuracy of detailed information may be reduced because less expensive methods of data entry will be used; and availability of detailed information will be reduced. Stepping into the breach is Washington Online's Campaign Contribution Tracking System which includes all FEC reports filed since 1983 and costs $3,500 in annual subscriptions for unlimited usage.

ALA urges that government publications be priced within the reach of nonprofit libraries whose users often have no other access to these fundamental tools of democracy.

The recently issued Office of Management and Budget Circular A-130, Management of Federal Information Resources, expressed a recognition of the value and importance of access to government information to provide citizens with knowledge of their government, society, and economy, to ensure the accountability of government, and to manage government operations. Paradoxically, the Circular also expresses policies that, in our opinion, are particularly restrictive regarding the creation and collection of information, and excessively restrictive regarding the dissemination of government information to the public. These policies require complex planning, cost-benefit analysis, maximum feasible reliance on the private sector for the dissemination of government information products or services, and user charges. Libraries, the general public, and Congress will have to closely monitor the impact of the implementation of these policies and programs on all aspects of our society. Attached is a resolution on OMB Circular A-130 adopted by the Association's Council.

GPO Superintendent of Documents Budget. The Association supports the Public Printer's request for $27,835,000 for FY 1987 to carry out the various programs of the Superintendent of Documents. This budget request is 14 percent below the operating level of FY 1985, and is certainly justified by the expected increase in the number of documents which will be brought into the Depository Library System by GPO's cooperation with OMB in the implementation of Circular A-130. In the Circular, OMB said that "depository libraries provide a kind of information 'safety net' to the public, an existing institutional mechanism that guarantees a minimum level of availability of government information to all members of the public."

We appreciate the commitment which the Superintendent of Documents has made to preserve the net and keep the holes from getting too big despite budget cuts. We request that particular attention be paid to these areas:

- Keep as many items as possible in paper format. Great care should be taken to ensure that material put on microfiche is appropriate for that format, not only in content but for usability. GPO should be aware that decisions for expanded use of fiche have direct ramifications for users of government documents and the libraries which make them available. Libraries must purchase more printers, more reader printers and storage cabinets.

- GPO should continue at least the current level of cataloging of government documents both in the amount of cataloging done and in the amount of information in the cataloging record. The cataloging which GPO does is essential to make these valuable resources accessible to the American people in library collections.

- Review and update retrospective GPO cataloging records on the OCLC (Online Computer Library Center) database. The money spent will enhance the value of existing federal documents, collections, and will eliminate wasteful and duplicative expenditures by individual depository libraries.

- Fund the further development of the ACSIS system (Acquisition, Classification, and Shipment Information System). ACSIS should help improve the internal operations within GPO, develop greater efficiency and cost effectiveness in the distribution of documents, permit libraries to be more specific in the choice of titles, help eliminate internal processing errors, and help GPO to better fulfill its statutory mission.

The depository program has improved a great deal in recent years; however, the rapid changes in the information environment demand further improvement and strong Congressional support for the depository program. The almost 1,400 depository libraries, most of them designated by Members of Congress, make government documents freely available to the general public in a joint venture between the Government Printing Office and the depositories. Regional depository libraries have additional responsibilities to retain one copy of all government documents made available and to provide interlibrary loan, reference service, and assistance to regular depositories in their region. All other depository libraries are selective depositories: they choose from a classified list of series and groups of publications which best meet the needs of their users, subject to space and service limitations.

As you know, the federal government is moving rapidly to the increased use of information technology and increasing numbers of government publications are available only in electronic format. ALA urges Congressional support for the implementation of the recommendation of the Ad Hoc Committee on Depository Library Access to Federal Automated Data Bases that the Joint Committee on Printing and the Superintendent of Documents initiate a pilot program in which depository libraries will receive federal information in electronic form and provide it to the general public free of charge. The proposal for such pilot projects is described in the Ad Hoc Committee's report, "Provision of Federal Government Publications in Electronic Format to Depository Libraries" (December 1984).

American libraries are being hit on many fronts in the current budget blitz. For the fifth year in a row, the President's budget has recommended zero funding for the Library Services and Construction Act, and Title II of the Higher Education Act which funds academic library programs. When these proposed federal cuts are combined with state and local cuts and escalating telecommunications and postal rates, the cumulative effect on libraries is devastating. Fortunately, for the past four years, Congress rejected the Administration's proposals to eliminate federal library programs.

In conclusion, we wish to express our appreciation for this opportunity to present our views to the Subcommittee on Legislative Appropriations. We offer our assistance should the members of the Subcommittee need it. As the public's window on government, we consider the effective and efficient operation of the Government Printing Office a high priority on Congress' agenda.

Sincerely,

Eileen D. Cooke

Eileen D. Cooke
Director
ALA Washington Office

EDC:tj

Enclosure: ALA Resolution on OMB Circular A-130

RESOLUTION ON OMB CIRCULAR A-130, MANAGEMENT OF FEDERAL INFORMATION RESOURCES

WHEREAS, Equal and readily available access to unclassified government information and publications is a primary tenet of a free society; and

WHEREAS, The issue of this access is addressed in OMB Circular A-130, "Management of Federal Information Resources," published by the Office of Management and Budget (OMB) in the December 24, 1985, Federal Register; and

WHEREAS, This Circular was made available only once in draft form for public comment; and

WHEREAS, The American Library Association (ALA), although appreciative of OMB's adoption of several of its recommendations, including recognition of the role of the Depository Library Program, nevertheless believes that the policies delineated in regards to dissemination, data collection, "maximum feasible reliance on the private sector," user fees, cost-benefit analysis, and other matters will contribute to the curtailment of the collection of government information and its dissemination to the general public, business, government policymakers, and the academic community; and

WHEREAS, The Association regrets that the final version of the Circular was not made available for further public comment despite substantial revisions and requests from Members of Congress, ALA, and the American public; now, therefore, be it

RESOLVED, That the Director of OMB and interested Members of the United States Congress be apprised of the possible effects of OMB Circular A-130 and urged to monitor closely its implementation; and, be it further

RESOLVED, That ALA members be urged to monitor the effects of the implementation of the Circular on government information and publications and report problems to the ALA Washington Office, Members of Congress, and OMB.

Adopted by the Council of the
American Library Association
Chicago, Illinois
January 22, 1986
(Council Document #28)

CLOSING REMARKS

Mr. FAZIO. We will now adjourn the Legislative Branch hearings for fiscal year 1987 subject to the call of the chair.

Thank you.

SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1986

SUBCOMMITTEE ON LEGISLATIVE BRANCH APPROPRIATIONS

VIC FAZIO, California, *Chairman*

DAVID R. OBEY, Wisconsin	JERRY LEWIS, California
BILL ALEXANDER, Arkansas	SILVIO O. CONTE, Massachusetts
JOHN P. MURTHA, Pennsylvania	JOHN T. MYERS, Indiana
BOB TRAXLER, Michigan	JOHN EDWARD PORTER, Illinois
LINDY (MRS. HALE) BOGGS, Louisiana	

EDWARD E. LOMBARD, *Staff Assistant*

WEDNESDAY, FEBRUARY 19, 1986.

LEGISLATIVE BRANCH

Mr. FAZIO. The Committee will come to order. As we proceed with the hearings on the fiscal year 1987 appropriation requests, we will consider the supplemental requests for fiscal year 1986 for the various Legislative Branch Agencies under the jurisdiction of the Subcommittee on Legislative Branch Appropriations.

The fiscal year 1986 supplemental requests total $78,833,000, excluding Senate items. This amount consists entirely of program items. There are no pay supplemental requests to be considered for fiscal year 1986. We will include a breakdown by agency of the supplemental request for fiscal year 1986 in the record at this time.

[The information follows:]

Legislative Branch appropriations—proposed supplementals for 1986

Agency	*Amount*
House of Representatives	$16,509,000
Joint Committee on Taxation	600,000
Official Mail Costs	44,000,000
Architect of the Capitol:	
Capitol Buildings	8,000,000
Capitol Grounds	7,675,000
Capitol Power Plant	2,000,000
Copyright Royalty Tribunal	49,000
Total, Proposed Supplementals Fiscal Year 1986	78,833,000

53-700 O—86——30

WEDNESDAY, FEBRUARY 19, 1986.

HOUSE OF REPRESENTATIVES

WITNESSES

BENJAMIN J. GUTHRIE, CLERK
W. RAYMOND COLLEY, DEPUTY CLERK
ROBERT S. McGUIRE, CHIEF OF FINANCE
JAMES T. MOLLOY, DOORKEEPER
ROBERT V. ROTA, POSTMASTER

Mr. FAZIO. The supplemental request to be considered today is from the House of Representatives. We have Mr. Ben Guthrie, Clerk of the House, and other officers of the House here to testify.

Would you please proceed, Ben.

Mr. GUTHRIE. I appear before you today, Mr. Chairman, and members of the subcommittee, to present a detailed summary of the House supplemental requests for fiscal year 1986, as included in the President's Budget. The table, which I will submit for the record, contains a complete listing of supplemental requests for the House of Representatives and Joint Items.

Before proceeding, however, I hereby withdraw those supplemental requests pertaining to the House of Representatives. These requests total $16,509,000.

I am making this withdrawal request as a result of the condition placed upon us by the Balanced Budget and Emergency Deficit Control Act of 1985—Gramm-Rudman-Hollings.

It is my understanding of the Act's provisions that we are in a legislative situation that essentially forecloses our ability to successfully consider a supplemental appropriation for this fiscal year. As a result, I have included funds for these items in the fiscal year 1987 request.

Mr. FAZIO. Therefore, you are withdrawing the supplemental request in the amount of $16,509,000.

Mr. GUTHRIE. Correct.

Mr. FAZIO. Thank you very much. We appreciate the intent and the understanding that goes with it. The supplemental request table will be inserted in the record in its entirety.

[The table follows:]

1986 program supplemental—House of Representatives

Salaries, Officers and Employees:	
Office of the Doorkeeper	$652,000
Office of the Postmaster	70,000
Total, Salaries, Officers and Employees	722,000
Members' Clerk Hire	2,000,000
Allowances and Expenses:	
Supplies, Materials and Administrative Costs	11,100,000
Furniture and Furnishings	350,000
Government Contributions	2,337,000
Total, Allowances and Expenses	13,787,000
Total, House of Representatives	16,509,000

Joint Items:	
Joint Committee on Taxation	600,000
Official Mail Costs	44,000,000
Total, Joint Items	44,600,000
Total, Supplemental Request	61,109,000
Recapitulation:	*Supplemental*
Total House of Representatives	$161,509,000
Total Joint Items	44,600,000
Total	61,109,000

[CLERK'S NOTE.—Subsequent to date of the hearing on appropriations for the House of Representatives and certain joint items, amendments were submitted for the following categories: A supplemental request in the amount of $350,000 for "Contingent expenses of the House," "Standing committees, Special and select"; and the supplemental request for official mail costs was increased from $44,000,000 to $50,499,000. H. Doc. 99-184.]

THURSDAY, FEBRUARY 20, 1986.

JOINT COMMITTEE ON TAXATION

WITNESSES

HON. DAN ROSTENKOWSKI, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS, CHAIRMAN

DAVID H. BROCKWAY, CHIEF OF STAFF

Mr. FAZIO, We would like to convene the hearing, and to welcome the chairman of the Joint Committee on Taxation

REQUEST FOR SUPPLEMENTAL

You are requesting a supplemental in the amount of $600,000 for fiscal year 1986. Mr. Chairman, would you summarize that request for us.

Chairman ROSTENKOWSKI. Mr. Chairman, I am here today to discuss with your subcommittee the fiscal 1986 supplemental request for the Joint Committee on Taxation.

The Joint Committee requests a supplemental fiscal year 1986 appropriation of $600,000 to cover increased computer related expenses. Our original fiscal year 1986 budget request, which was formulated in September, 1984, contemplated annual computer expenses (use of the Treasury Department computer) of $350,000. This figure was developed on the basis of experience at that time, which led us to expect average monthly computer expenditures of $29,000.

We did not anticipate the enormous demands that Members would make on us in connection with the consideration of comprehensive tax reform. The President's proposal deals with items of income and deductions which had not been previously analyzed, and our revenue and distributional analysis of the proposal (as well as Treasury's) required the use of more complex data sets and more sophisticated software than had previously been employed. Further the high number of separate tax provisions being considered simultaneously led Members to request analysis of many different combinations of proposed changes in each provision. As a result of the increased complexity of calculations necessary to provide adequate analysis of comprehensive tax reform proposals and the increase in the number of specific requests for this analysis, actual computer costs have averaged over $100,000 per month since active consideration of tax reform begin in July 1985. We expect that our computer expenses will remain close to that level throughout this fiscal year.

Mr. Fazio. This request for computer usage at Treasury augments what you have requested in the past fiscal year?

It is going to be hard. At this point, we don't know if supplementals are possible.

WORKLOAD DUE TO TAX REFORM BILL

In the case of the major tax bill, there is not much you can do to curtail services.

Mr. Rostenkowski. We go into debt, Mr. Chairman.

Mr. Fazio. I imagine that might happen.

Mr. Rostenkowski. Can we borrow from other committees?

Mr. Fazio. I am sure the interest rates would be usurious.

Mr. Brockway. It would have been particularly difficult, Mr. Chairman, to curtail expenses on this bill, the way it shaped up. There was a great deal of concern about whether the bill in fact was revenue-neutral. There needed to be a way to get everybody to agree it did meet those revenue requirements and distributional requirements.

There is more interest in the revenue and distributional impacts of this bill than any bill we have ever dealt with. We felt there was no way the bill could have gone forward if we cut back.

COMPUTER COSTS INCURRED

Mr. Fazio. What happens if we don't get a supplemental through and you owe $600,000, or maybe more, to the Treasury? Can it be absorbed?

Mr. Brockway. Already part of our problem is that I simply did not pay $300,000 we owed for fiscal year 1985. That is carried into this fiscal year. There is a limit of how far we can go with that.

We have discussions on going with Treasury to see if there is any way they can moderate the charges. But I think any agreement will be only marginal.

I do not know how to do the bill on the Senate side if we do not have the supplemental funds, to be honest with you.

Mr. Fazio. We do not want to get into a position where we have to roll forward costs that have been incurred in one fiscal year to the next. It would have been easier to provide a supplemental for fiscal year 1985.

Mr. Brockway. I wish I had had the foresight at the time to realize how much of a hole we were in. As everybody was asked to cut back their fiscal year 1986 budget request, we cut ours back by $190,000. Then, just after that time is when the computer usage really went very, very high, at levels that were so high that there was no way that we could have moved around other expenses to accommodate.

Mr. FAZIO. As far as the supplemental is concerned, we will just have to see how it goes.

Jim Baker came in yesterday with an IRS request of the Appropriations Committee for several hundred million dollars. We have had more damage from the storms in California, compounded by inadeqaute FEMA funding right now, that is Corps of Engineers funding. I don't know if we can go without a supplemental. Yet, the conventional wisdom around here is there will be none.

Mr. ROSTENKOWSKI. I know what you are up against, Mr. Chairman.

Mr. FAZIO. If there are no further questions, we will conclude this hearing at this time.

[CLERK'S NOTE.]—Subsequent to the hearing on appropriations for the Joint Committee on Taxation, the supplemental request for fiscal year 1986 was amended from $600,000 to $950,000. H. Doc. 99-196.]

MONDAY, FEBRUARY 24, 1986.

ARCHITECT OF THE CAPITOL

WITNESSES

GEORGE M. WHITE, ARCHITECT OF THE CAPITOL
EMANUELE CRUPI, BUDGET OFFICER
J. RAYMOND CARROLL, DIRECTOR OF ENGINEERING

Mr. FAZIO. The committee will come to order. Today we will consider the 1986 supplemental request from the Architect of the Capitol.

SUPPLEMENTAL REQUEST

Mr. WHITE. There are three items for which supplemental funding is requested. The first is the initial phase of a program to replace electrical transformers containing hazardous PCBs—polychlorinated biphenyls—at a cost of $8,000,000. These funds are also requested to be exempted from the provisions of section 3709 of the Revised Statutes, as amended, so that we may be able to preselect qualified contractors from whom to solicit proposals for the work.

The second segment of the request includes funds in the amount of $7,675,000. These funds are requested to complete the security and aesthetic improvements to the East Plaza of the Capitol Building.

Finally, $2,000,000 is requested for the purchase of electrical energy to cover the estimated energy costs for fiscal year 1986.

Mr. Chairman, that completes the brief summary. I will be pleased to answer any questions.

REPLACEMENT OF PCB TRANSFORMERS

Mr. FAZIO. You are requesting $8,000,000 in the Capitol Building appropriation to replace 36 PCB transformers in the Rayburn, the Madison, and the House Office Annex 2 Buildings. Where are you in terms of taking care of this requirement?

Mr. WHITE. We are at the beginning. Since the regulations require replacement by a certain period of time, we thought the prudent thing to do was to make our needs known immediately, but it would be up to you.

Mr. FAZIO. I am sympathietic with your request. Other Members are also concerned about moving on the PCBs project.

Mr. WHITE. Yes.

Mr. FAZIO. At this point we are not certain how supplementals will be handled.

Mr. WHITE. When the funds become available we will begin.

Mr. FAZIO. You know the requirements and are ready to start?

INTERIOR TRANSFORMERS SCHEDULED FIRST

Mr. WHITE. Yes. I might say in that regard that we propose to replace the transformers that are inside buildings first.

Mr. FAZIO. Yes.

Mr. WHITE. Most of them, fortunately, are outside in exterior vaults.

Mr. FAZIO. Those in the House Office Building Annex No. 2, the Rayburn, and the Madison Buildings, are the only buildings with inside transformers?

Mr. WHITE. That is correct.

Mr. FAZIO. The Capitol is not included?

Mr. WHITE. No, the Capitol is not included in the initial $8 million request.

Mr. FAZIO. Is that because it is external? There are none of these inside the building?

Mr. WHITE. That is right.

MADISON TRANSFORMERS

Mr. FAZIO. I am surprised that the Madison Building being so new would have this problem.

Mr. WHITE. PCBs were used for transformers up until the last few years. Those transformers were installed a half dozen years ago.

Mr. FAZIO. The issue has been well known for some time. The PCB issue surfaced at an Air Force base in my district a few years ago. I hope we didn't proceed with a contract to include PCBs while we fully understood that there were some health hazards associated with them.

Mr. WHITE. The transformers were installed in that building six or seven years ago.

Mr. CARROLL. Probably in the mid-seventies.

Mr. FAZIO. In the Madison Building?

Mr. WHITE. Yes, while it was under construction.

Mr. FAZIO. I would like someone to check on that.

Mr. WHITE. We will be glad to, but I am sure that is what occurred.

Mr. FAZIO. I am curious about the time frame.

The Madison is no longer new.

We appreciate the alacrity with which you approach this project although I am not sure about a supplemental. Are there any other questions or statements on this issue?

POTENTIAL PCB HAZARDS

For the record, what are the chances of fire or other health hazards to our employees or the visiting public, if this is delayed?

Mr. WHITE. Mr. Chairman, the problem with PCBs exists in the event of fire. There really isn't any problem as long as it is contained and dormant. But in the event of a fire, there would be serious problems that could arise. That is the major concern.

The probability of a fire, I suppose one could say, is minimum. The prudent thing to do is to fix them as soon as possible, when the danger or the adverse effects in the event of a fire are so dramatic.

It is something we need to do.

[CLERK'S NOTE.—The Architect provided the following: the transformers in the Madison Building were placed on order in 1976, and activated in 1978.]

EAST PLAZA IMPROVEMENTS

Mr. FAZIO. Let's talk about the East Plaza improvements. Would you outline your supplemental request of $7,675,000 in the Capitol Grounds appropriation.

Mr. WHITE. Yes. We have, as you know, presented some drawings for approval of both legislative appropriations subcommittees. We are ready to proceed upon receiving approval from the two committees. We have provided some alternative additions to what had been originally envisioned as the need.

If you recall, there was an entrance at the North and South just as there presently is, in which there were to be hydraulic barricades that would rise up out of the ground, and in addition to that, steel bollards placed all around the perimeter of the East Plaza.

Mr. FAZIO. We have the plans here. Would someone hold them up? We have had some revisions made in the last several weeks.

Mr. WHITE. That is right.

Mr. FAZIO. Have they been shown to those involved in the security areas; the Police Board and the Sergeant at Arms?

POLICE BOARD APPROVAL

Mr. WHITE. The Police Board has approved it. If I can just point to this—I will show you the larger plan in a moment—but there is an entry and an exit here and an entry and an exit here. This is Constitution Avenue, this is First Street, and this is Independence Avenue. This is the House side and that is the Senate side. Then, we have a series of bollards, which run along here parallel with the curbs of these curved areas. There are some operating bollards here, which can be raised and lowered, so that we could have access in here if we needed to, but they would remain closed normally. This plan enables us to continue to park in these outer areas, if that is what the Congress wishes.

Mr. FAZIO. Those would continue to be asphalt and not tile?

Mr. WHITE. That is right. There is no paving associated with any of this work for which we have received funding. There was $725,000 given to us, of which $200,000 plus had previously been appropriated for repaving, so that there is no repaving associated with any of this.

Mr. FAZIO. That would be the next increment of the appropriation?

Mr. WHITE. That is correct.

Mr. FAZIO. That is included in the supplemental?

Mr. WHITE. Yes.

ADDITIONAL IMPROVEMENTS REQUESTED BY POLICE

What we show here are some zigzags. The police asked for this separately, after we had shown you on a preliminary basis this kind of an arrangement. They asked if we could have some zigzags here, so that a driver couldn't get a high-speed vehicle coming down Delaware Avenue or down New Jersey, and get a straight shot at the entrance. That is the barrier. So we have put some in. These are some trees and concrete surrounding them and so on, which I will show you in a moment.

The police also asked for this opportunity to close off these areas on nights and weekends, just to give them a little more protection in this area, even though no one could penetrate this inner area. They just didn't want anybody to get close. We said neither of these proposals were in our original budget, but we would try and see. So, we show manually operated bollards here, which would be down in the ground, but would be capable of being cranked up at night and on weekends, and our cost estimates indicate that we can not provide this capacity within our present budget.

We think that this capacity is something that at the moment appears to be in excess of our budget; it was outside our original plan, anyway. If there is some money left over maybe we can provide this, or do it at some future time. The police are aware of this circumstance.

In any event, the trucks would disappear. This is something they would like, but they know that without this arrangement, there will be access and no trucks. That has been cleared with the Police Board.

Mr. Fazio. Is that generally supported?

Mr. White. And with the Police Chief.

If I can just open this up for a minute to this second set of plans. I don't know if you can see it very well—enlargements of the Senate side and the House side, showing the zigzag areas and the hydraulic barriers and the bollards to prevent access except through the hydraulic barriers. There is a guardhouse here and a guardhouse here, similar to what we have now. This would lend itself to the elimination of all parking, or continuing the parking as we presently have it.

PARKING SPACES LOST

Let me say in that regard that this is an aerial view of the area, showing cars parked here. This proposal will eliminate some parking spaces. Six spaces here, two spaces here, and nine spaces in here. These cars that are now parked perpendicular to the curb would have to park parallel, and so you begin to lose some spaces that way. The total number of spaces lost will be 40 spaces in the program I am now presenting.

Mr. Fazio. Ultimately, will all spaces be eliminated?

Mr. White. Yes, we would lose them all; that is included in the plans. The spaces lost at the moment would include 16 on the Senate side and 24 on the House side. It is unsymmetrical the way the spaces are laid out, but basically 40 spaces will be lost. If parking is eliminated from within this inner area, of course it would increase security. The fewer cars, the greater security.

There are 150 cars on each side that we would have to accommodate. We have that capacity, it is of course now being used on an unassigned basis in the Carr property that we bought to handle the 150 cars from the House side. Similarly, on the Senate side by tearing down buildings on Square 72 and we will be able——

BOLLARD DESIGN

Mr. **Fazio**. That area will provide additional parking.

Mr. **White**. Exactly. That is the parking situation.

Let me show you one other thing that is useful to look at. We have not yet finalized the design of the bollards. They will be eight-inch steel pipe with reinforced concrete inside, in order to meet the safety requirements. Then we propose to put a decorative top on, and we have several proposals on which we haven't made a final decision.

These, you will recall, are some of the patterns in the Olmstead designs that can be seen on the East Plaza. On the two granite posts on either side of East Capitol Street, you will find a design very similar to this. We tried to recall some of that. These will be cast iron caps that we will fasten over the top for decorative purposes, chains could be placed across in certain situations.

Mr. **Fazio**. Mr. Lewis.

Mr. **Lewis**. I have had occasion to talk with our security people from time to time and know of our ongoing concern and our expressions of concern to them. Are you integrating this discussion that they are developing relative to our security plans?

LEADERSHIP INVOLVEMENT

Mr. **White**. Yes. There has been an overall security study made. From the House and Senate sides there were four people representing the leadership.

Mr. **Fazio**. The Whips.

Mr. **White**. The Whips on the House side, and Senators Simpson and Cranston on the Senate side. We have had a number of meetings and outside advice from the FBI, Secret Service, and so on, in addition to outside consultants. There is an overall plan. What they would ultimately like to do—and this of course hasn't been presented—is to build a fence around the whole square, to extend the perimeter. In the meantime this plan will respond to present needs.

Mr. **Fazio**. We are heading towards the construction of a fence, similar to that at the White House.

Mr. **White**. Yes. From the aesthetic standpoint, I have no problem with that. It is historic. We had a fence around the Capitol prior to the construction of the present House and Senate wings. As a matter of fact, you can see a fence in the Russell Smith painting which is in the the next room.

Mr. **Lewis**. We have plans to discuss that.

SECURITY REPORT

Mr. **Fazio**. Is there an approved report for the extensive security project.

Mr. **White**. That is right.

Mr. FAZIO. Our Committee wants a comprehensive approach to security and not a piecemeal one.

Mr. WHITE. Yes.

Mr. FAZIO. We need to understand the total plan before we make any expenditures.

Mr. WHITE. The report that was presented to the Police Board by the police and consultants was reviewed and returned to them for modification, and then finally brought back to us. We met with the representatives of the leadership, and it is now in their hands.

There are some things in there, I must say, that perhaps go a little overboard, but we were instructed to do that, to let the Congress make the policy decisions.

If I could just take a moment to show you what that zigzag arrangement would look like, with some trees planted. They would be much more handsome than the temporary sewer pipes we have now. It is aesthetically designed.

Mr. FAZIO. That will be another challenge for the Botanic Gardens.

Tell us about the $7,675,000 supplemental request. What plaza improvements will be accomplished?

PAVING OF EAST PLAZA

Mr. WHITE. That portion will be used for paving. All that I have previously described, with the exception of the closures at the exterior of the square, will ge done with the $725,000.

Mr. FAZIO. We have already made that available in the Continuing Resolution.

Mr. WHITE. Yes.

Mr. FAZIO. The question we have is: Do we want to proceed in the supplemental with the paving when that has yet to be approved?

Mr. WHITE. We asked for it to be made available.

Mr. FAZIO. I am personally for it.

Mr. WHITE. Yes. I understand.

Mr. FAZIO. Is Senator Hatfield in favor of it?

Mr. WHITE. Yes.

Mr. FAZIO. I question, though, whether we should proceed as the authorizers on these issues.

Mr. WHITE. The authorization bill, as you know, is waiting consideration on the Floor of the House. It has been passed by the Public Works Committee, and has been awaiting consideration.

Mr. FAZIO. Perhaps the delay is related to the senior staff parking problems.

Mr. WHITE. I will be glad to look into the matter. That is a policy question, of course, Mr. Chairman, as to whether the funds are appropriated contingent upon authorization. But since the bill has gone that far, we thought it might be useful.

Mr. FAZIO. We will be proceeding on the other item. I know the report on overall security is important so we should have a comprehensive package. We will waste money if we don't. These bollards and hydraulic gates are important, but a broader plan could involve other approaches. How much of your current proposal is beyond the existing funding that we provided?

Mr. **White**. The perimeter portions, which total around $200,000 is beyond the existing funding.

Mr. **Fazio**. That is over the $725,000 that we provided.

Mr. **White**. Yes.

We predict that the central portion and the zigzag areas, together will cost around $725,000. We think we can do that for that amount. The rest requires a substantial amount because the street entrances must be closed.

That was not in the original plan. We thought we would see what it would cost. If you have no objection to it in concept we might do that at some future time.

Mr. **Fazio**. We will put questions in the record regarding the East Plaza supplemental.

[The questions and responses follow:]

East Plaza Supplemental

Question. We understand that the complete security programs cannot be done within the funds appropriated. How much of an overrun are you estimating? How long will the project take? Be specific.

Response. The originally contemplated security plan for the East Plaza included vehicle barriers at the Independence and Constitution Avenue entrances and bollards that would be placed on the plaza to control vehicular traffic. These items can be accomplished within the approved funding level of $725,000. Based on the recommendations of the Capitol Police, additional perimeter security is under consideration to be added at the secondary entrances to Capitol square. These additional barriers will cost approximately $170,000 but because they were not part of the original plan, they will not be done unless funds become available. The total estimated cost of these security measures is $895,000.

Question. What is the length of construction time required by the proposed East Plaza project?

Response. It is estimated that installation of hydraulic vehicular barriers, steel and concrete bollards, and two controlled speed entrances will take 3-6 months. Preparing the subbase and repaving the East Plaza with granite blocks will require 9-12 months. If both phases proceed simultaneously, the minimum time required would be 9 months. However, coordination of both phases may call for some additional time, and it would seem more prudent to estimate a construction time of approximately 12 months.

ENERGY SUPPLEMENTAL

Mr. **Fazio**. You are requesting $2,000,000 as a 1986 supplemental to the Capitol Power Plant appropriation for the purchase of electrical energy. Let's discuss this item.

OIL PRICE AFFECT ON ENERGY SUPPLEMENTAL

Mrs. **Boggs**. With the price of oil declining precipitiously, won't that perhaps lower the bills sufficiently that you will be able to keep the temperature at the proper levels?

Mr. **Fazio**. We seem to be running countercyclically with the trends of fossile fuel when you request a $2 million supplemental for energy.

Mr. **White**. I can't speak for the Pepco rate charges. That is set by the Public Service Commission. We have to pay like everybody else, so I have no response to why their demand charges or other charges keep going up. I must say, however, that one of our problems has been the proliferation of computers in all offices, and that not only requires energy to operate what are in effect mainframe computers on the Senate side—every Senator's office has one, and many Members of the House have them—it not only requires energy to operate the computer, but it also requires energy to operate additional air conditioning, in order to keep the computers cool so that it will operate properly. There is a lot of energy associated with that, which is needed and has to be recognized.

We provided in our justifications, or can provide, a list of each building where energy went up, and where it went down.

Mr. FAZIO. It would be appreciated if you could break down for us where this increasing consumption has occurred.

Mr. WHITE. We have it in great detail. If, for example, the lower rates should eventuate, as Howard Cosell would say——

Mr. FAZIO. He must be right.

Mr. WHITE. Then of course a reduction in our request would be made.

Mr. FAZIO. The rates are going down on the record. Is our consumption more than compensating for those rate reductions?

Mr. WHITE. Our consumption has gone up by about 4 percent. If the rates go down by that much, we are even.

POSSIBLE RATE REDUCTION

Mrs. BOGGS. That was the question I was asking, if the rates go down, and are identifiable on the Pepco bills, as the amount that they have had to pay for the energy source. I hope that you could maintain the temperatures.

Mr. WHITE. I hope so too, and we certainly would keep you informed, if that occurs. That happened to us in 1984. We had an excess.

Mr. CRUPI. That is right, in 1984.

Mr. WHITE. It is hard to predict.

Mrs. BOGGS. Yes, of course.

Mr. WHITE. This prediction is based on the present trend continuing. If it should reduce, we would of course not need the increase.

Mr. FAZIO. Are there any further questions? If not, I would like to insert questions in the record concerning the electrical energy supplement.

[The questions and responses follow:]

ELECTRICAL ENERGY SUPPLEMENTAL

Question. The final supplemental item is $2.0 million for electrical energy. Why didn't you request this in the regular 1986 bill?

Response. When the fiscal year 1986 budget was being prepared in November 1984, our electrical energy projections which were based on fiscal year 1984 expenditures did not indicate additional funds would be required. Our projections indicated we could absorb the July 1984 9.7% rate increase which was adjusted downward in November 1984 to a 6.4% increase in comparison to the rates which were in effect for the majority of fiscal year 1984. It was determined that the rate increase could be absorbed because the fiscal year 1984 electrical energy account had an $871,000 surplus. The supplemental requirement is a result of increases in the fuel adjustment charge and consumption.

During fiscal years 1983 and 1984 the fuel adjustment charge had provided credit adjustments to the electrical bill. This trend was sharply revised in mid fiscal year 1985. Between fiscal year 1984 and fiscal year 1985 the fuel adjustment charge accounted for $712,000 in increased cost.

The other factor that is contributing to the supplemental requirement is an increase in consumption. Between fiscal year 1984 and fiscal year 1985 consumption increased by 4 percent. This accounted for additional cost of $649,000, fiscal year

1985. Our supplemental request projects an additional 4 percent rate of growth for fiscal year 1986.

Question: Where is this consumption increase occurring? Can you document these consumption increases?

Response. The following table compares actual and projected consumption for fiscal years 1984, 1985, 1986, and 1987.

ELECTRICAL ENERGY—ACTUAL AND PROJECTED CONSUMPTION

Location	FY 1984 KWH	FY 1985 KWH	Percent increase of KWH over FY 84	FY 1986 estimated KWH FY 85 plus 4 percent	FY 1987 estimated KWH FY 86 plus 4 percent
CAPITOL	14,658,800	15,774,621	7.61	16,405,606	17,061,830
DSOB	11,858,940	12,071,240	1.79	12,554,090	13,056,253
RSOB	8,026,770	8,782,611	9.42	9,133,915	9,499,272
LHOB	7,366,890	7,468,640	1.38	7,767,386	8,078,081
CHOB	7,489,510	7,714,900	3.01	8,023,496	8,344,436
RHOB	27,426,240	28,753,150	4.84	29,903,276	31,099,407
HOBA #1	1,706,900	1,854,700	8.66	1,928,888	2,006,044
HOBA #2	11,509,230	12,269,990	6.61	12,760,790	13,271,221
CAP PWR PLT	78,694,940	86,445,910	9.85	89,903,746	93,499,896
LOC TJB	10,990,176	10,746,780	−2.21	11,176,651	11,623,717
LOC JAB	10,981,610	9,456,340	−13.89	9,834,594	10,227,977
LOC JMMB	58,675,096	58,732,100	0.10	61,081,384	63,524,639
SEN GARAGE	1,280,300	1,338,100	4.51	1,391,624	1,447,289
IMMG BLDG	819,370	454,500	−44.53	472,680	491,587
PLAZA HOTEL	457,164	580,140	26.90	603,346	627,479
400 N CAP	5,827,200	4,563,100	−21.69	4,745,624	4,935,449
MISC LOC	631,474	669,542	6.03	696,323	724,177
ST LIGHTS	272,388	272,385	.00	283,280	294,612
TRAFFIC SIG	71,088	70,880	−0.29	73,715	76,664
HART BLDG	20,913,020	22,656,670	8.34	23,562,937	24,505,454
501 I ST SE		130,050		135,252	140,662
Total	279,657,106	290,806,349	3.99	302,438,603	314,536,147

The following analysis indicates the major factors contributing to the changes in electrical energy consumption between fiscal year 1984 and fiscal year 1985.

MAJOR FACTORS CONTRIBUTING TO FISCAL YEAR 1985 ELECTRICAL ENERGY CONSUMPTION CHANGES

Building	Percent	Changes in building activity
U.S. Capitol	+7.6	Construction activities on the West Front required two 400 amp electrical services for operation of heavy equipment and lighting used for night construction work and a 200 amp service for operation of an air compressor unit.
Russell SOB	+9.4	This increase reflects the installation of office automation systems in most of the Senator's suites and Committee Offices and supplemental cooling required for many installations.
Rayburn HOB	+4.8	New equipment was installed in the Print Shop and additional lighting operated in Building.
HOBA #1	+8.6	One-fourth of the Building space was reassigned from office to Page School dormitory space resulting in longer and more intense use of electrical power. Also, additional office equipment and computer systems were installed in the Building.
HOBA #2	+6.6	Computer equipment in the House Information Systems increased by approximately 40 percent. Also, there was a significant increase in the installation of office equipment throughout the building.
Capitol Power Plant	+9.8	This increase is directly related to cooling degree days, increased use of occupied space in the Hart Building and the installation of computer equipment throughout all buildings.
LOC TJB	−2.2	Reduction due to the relocation of activities in anticipation of the Renovation and Restoration project.
LOC JAB	−13.9	Reduction due to the relocation of activities in anticipation of the Renovation and Restoration project.

MAJOR FACTORS CONTRIBUTING TO FISCAL YEAR 1985 ELECTRICAL ENERGY CONSUMPTION CHANGES—Continued

Building	Percent	Changes in building activity
400 N. Capitol	−21.7	Reduction due to the replacement of computer equipment that operates with much greater electrical efficiency.
Hart SOB	+8.3	This increase reflects the increased use of occupied space and the installation of office automation systems in most of the Senator's suites and Committee offices.

CLOSING REMARKS

Mr. FAZIO. We thank you for your presentation today. We will adjourn the hearing at this time.

THURSDAY, FEBRUARY 27, 1986.

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WITNESSES

COMMISSIONER EDWARD W. RAY, CHAIRMAN

CHRISTY BLACKBURN-RODRIGUEZ, CONFIDENTIAL ASSISTANT TO CHAIRMAN RAY

Mr. FAZIO. You are requesting a supplemental of $165,000, of which $116,000 would be derived from the Royalty fund, and $49,000 would be in appropriated funds.

1986 SUPPLEMENTAL REQUEST

Mr. FAZIO. One of these is for the potential appointment of a commissioner, is that correct?

Mr. RAY. Yes, sir. The one that we have been advised has been nominated.

Mr. FAZIO. What else is involved?

Ms. RODRIGUEZ. $142,000 of that fiscal year 1986 supplemental is for the two commissioners and two assistant's salaries. Commissioners salaries are based on a GS 18-1; assistants are based on GS 9-6 for nine months of the fiscal year. Of course, now we only need seven months. Twenty three thousand is for personnel benefits. We calculate the benefits at the higher rate for new federal employees, assuming that these people would not have federal service before January 1, 1983.

Mr. FAZIO. Thank you very much. We can put the rest of the questions in the record and we appreciate your being with us, Mr. Ray and we hope things work well.

[The questions and responses follow:]

CRT SUPPLEMENTAL REQUEST

Question. You are requesting a supplemental of $165,000, of which $116,000 would be derived from the royalty funds, and $49,000 would be in appropriated funds. These funds are requested for two new Commissioners and their assistants. Indicate the projected annual salary of each position.

Response: The commissioner salaries were based on a GS 18 Step 1 pay rate of $68,700 per annum. The Confidential Assistants salary expense was calculated at GS 9 Step 6 rate of $25,439 per annum. Personnel benefit costs were calculated at the higher rate for personnel entering federal service after January 1, 1983: 17.15% of salary up to $40,500 and 10.00% on amount over $40,500.

Question. These funds are requested for two new Commissioners and their assistants. Have they been appointed?

Response. No. The President has nominated one person. The Senate confirmation has been pending for some time.

CLOSING REMARKS

Mr. Fazio. Are there any further questions from Members of the subcommittee concerning the supplemental requests?

Fine. This will conclude our hearings on the fiscal year 1986 supplemental budget requests for the Legislative Branch.

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